



FINANCIAL REPORT

JUNE 30, 2005





FINANCIAL REPORT

Mark R. Warner

Governor

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Secretary of Transportation

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Commissioner Department of Transportation



JUNE 30, 2005

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
Letter of Transmittal	3
Agency Overview	5-7
Organizational Chart	9
FINANCIAL SECTION	
Management's Discussion and Analysis	13-23
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Assets	27
Statement of Activities	29
Fund Financial Statements	
Balance Sheet- Major Governmental Funds - Special Revenue	33-35
Balance Sheet- Major Governmental Funds - Debt Service	37
Balance Sheet- Major Governmental Funds Combined	39
Reconciliation of the Balance Sheet - Governmental Funds to the Government-wide Statement of Net Assets	41
Statement of Revenues, Expenditures, and Changes in Fund Balances- Major Governmental Funds - Special Revenue	43-45
Statement of Revenues, Expenditures, and Changes in Fund Balances- Major Governmental Funds - Debt Service	47
Statement of Revenues, Expenditures, and Changes in Fund Balances- Major Governmental Funds - Combined	49
Reconciliation of the Statement of Revenues, Expenditures And Changes in Fund Balance - Governmental Funds to the Government-wide Statement of Activities	51
Statement of Net Assets- Enterprise Fund	55
Statement of Revenues, Expenditures and Changes in Net Assets- Enterprise Funds	56
Statement of Cash Flows-Enterprise Fund	57-58
Statement of Fiduciary Net Assets- Agency Fund	61
Notes to the Financial Statements	63-100
REQUIRED SUPPLEMENTARY INFORMATION	
Combining and Individual Fund Statements and Schedules	
Budget Comparison Schedules- Major Funds	103-111
Budget Comparison Schedules- Non Major Funds	115-125
Combining Balance Sheet Non Major Governmental Funds – Special Revenue	129-132
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances- Non Major Governmental Funds – Special Revenue	133-136
Statement of Changes in Assets and Liabilities Fiduciary Fund	139
SUPPLEMENTAL SCHEDULE	
Schedule of Federal Assistance	143

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FINANCIAL REPORT

INTRODUCTORY SECTION



JUNE 30, 2005



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION

1401 EAST BROAD STREET
RICHMOND, VIRGINIA 23219-2000
VirginiaDOT.org

GREGORY A. WHIRLEY
ACTING COMMISSIONER

January 25, 2006

Letter of Transmittal

The Comprehensive Annual Financial Report (CAFR) of the Virginia Department of Transportation (VDOT) for the fiscal year ended June 30, 2005 is hereby submitted. The report reflects the operation of the Highway Maintenance and Operating Fund, the Transportation Trust Fund, various toll facilities operated by the Department and other funds. This CAFR conforms with generally accepted accounting principles as established by the Governmental Accounting Standards Board (GASB) and complies with provisions of the Comptroller's Directive No. 2-05, "Financial Statement Preparation." The statements presented in this report are un-audited. Audited VDOT financial information is included in the Commonwealth Comprehensive Annual Financial Report (CAFR), which is audited by the Auditor of Public Accounts.

The VDOT CAFR has been prepared by VDOT, whose management is responsible for both the integrity and objectivity of the financial statements, as well as other information presented herein. The combined financial statements are considered by management to present fairly, VDOT's financial position and results of operations and changes in fund balances. The data presented is accurate in all material respects and all disclosure necessary to enable the reader to obtain a thorough understanding of our financial activities has been included.

The CAFR is presented in four sections; the Introductory Section includes this transmittal letter, an agency overview and VDOT's organizational chart. The Financial Section includes the Management Discussion and Analysis (MD&A) of VDOT's overall changes in financial position. The Basic Financial Statements Section includes the government-wide and fund financial statements along with accompanying notes. The Required Supplementary Information section includes budgetary comparison schedules, underlying combining fund financial statements and supporting schedules.

Sincerely,

Stacy McCracken
Controller

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AGENCY OVERVIEW

Virginia Department of Transportation Organization

Virginia Department of Transportation (VDOT) is responsible for building, maintaining and operating the state's roads, bridges and tunnels. The agency has one central office and nine district offices. VDOT has approximately 9,300 employees, which is a reduction from 10,200 employees as recently as fiscal year 2003. The 17-member Commonwealth Transportation Board guides the Department's work, much like a board of directors. The Secretary of Transportation serves as a chairman and the Commonwealth Transportation Commissioner as vice-chairman. Members are appointed by the Governor and approved by the General Assembly. Pocahontas Parkway Association is a blended component unit of the agency.

Transportation System

Virginia has the third largest state-maintained highway system in the United States with an annual operating budget of approximately \$3 billion. VDOT maintains over 57,000 miles of interstate, primary, and secondary roads and distributes state funds to help maintain 10,000 miles of urban streets. VDOT not only maintains the roads, but also is responsible for more than 12,600 bridges, 4 underwater tunnels, 2 mountain tunnels, 2 toll roads, 1 toll bridge, 4 ferry services, 41 rest areas, and 107 commuter parking lots.

Mission

The mission of VDOT is to plan, develop, deliver and maintain on time and on budget the best possible transportation system that ensures the mobility of all people and goods, enhances economic prosperity and preserves the quality of our environment and communities.

Values

VDOT has five fundamental principles which guide the behavior and actions of its employees and organization. They include:

- **Safety and Security:** Safety will never be compromised. VDOT is committed to ensure that the security of its people and assets are never taken for granted.
- **Truth, Trust and Teamwork:** VDOT creates trust by always seeking and telling the truth. Trust fosters true teamwork, with all people pulling their share and sharing their talents.
- **Environmental Excellence:** The agency conducts its business activities in a manner that respects Virginia's natural and historical resources.
- **Action and Accountability:** VDOT knows what its job is and does it. If the employees have questions, they ask. The agency is willing to stand up for its actions and to accept responsibility for them.
- **Results and Respect:** VDOT takes action to produce results and measure its progress. By producing results, the agency earns, gains, and retains the respect of its customers and partners.

VDOT Accomplishments and Highlights for Fiscal Year 2005

Each year, VDOT administration sets goals for the agency. The primary goals are to complete construction and maintenance projects on time and on budget and improve financial management and business operations.

- ***VDOT completed more projects on time and on budget for fiscal year 2005.***

VDOT has continued to improve the number of construction and maintenance projects completed on time and on budget as shown below:

Deadlines

Construction contracts completed on time :

FY 2005 75 percent

FY 2004 36 percent

FY 2003 27 percent

Maintenance contracts completed on time :

FY 2005 73 percent

FY 2004 51 percent

FY 2003 38 percent

Budgets

Construction contracts completed within budget :

FY 2005 78 percent

FY 2004 73 percent

FY 2003 65 percent

Maintenance contracts completed within budget :

FY 2005 80 percent

FY 2004 81 percent

FY 2003 80 percent

- ***Six year improvement plan for fiscal years 2006 -2011***

A realistic and credible transportation program was approved in June of fiscal year 2005 by the Commonwealth Transportation Board, which adopted the final Six Year Improvement Program for fiscal years 2006-2011. The program allocates \$7 billion to highway construction projects and other transportation improvements managed by VDOT, \$1.5 billion to rail and public transportation projects statewide and \$900 million planned for the Dulles Corridor Metrorail Project. The funding will be allocated over six years, beginning July 1, 2005.

The program has held steady since 2002 when it was reduced by \$2.7 billion to bring it in line with what the state could afford. The program approved includes additional transportation funding proposed by Governor Mark Warner and passed by the General Assembly in 2005.

- ***Dashboard 2.0***

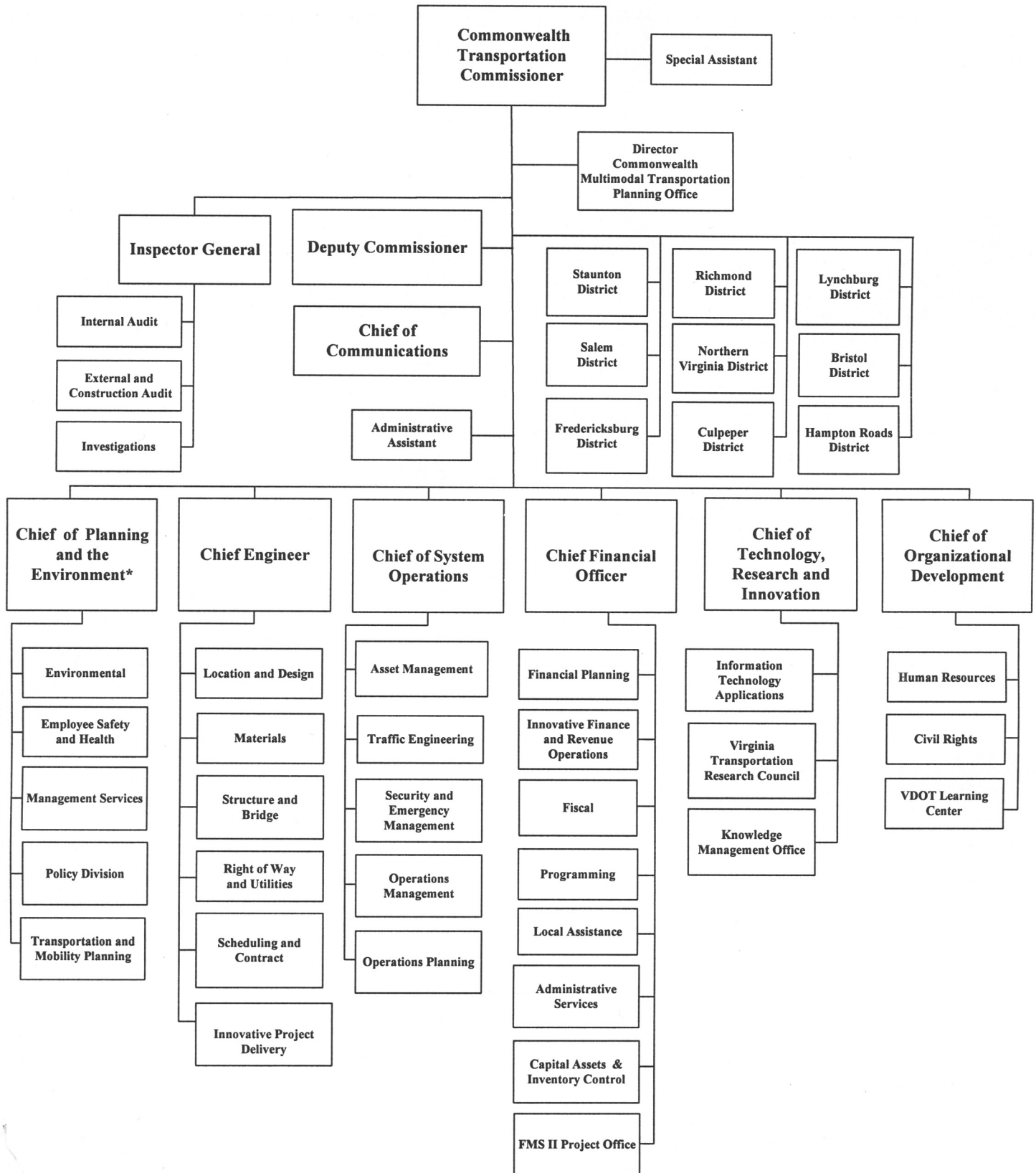
Since March 2003, the VDOT Dashboard has provided online access to enable monitoring of VDOT's business performance. In fiscal year 2005, VDOT launched an extended version of the online Dashboard public monitoring system. The Dashboard version 2.0 expands the focus for performance improvement beyond engineering and construction to all core business areas, including road maintenance, plans, studies, safety, finances, operations and environmental compliance. The Dashboard version 2.0 can be accessed at the VDOT website, www.VirginiaDOT.org by clicking on the Dashboard button.

- ***511 Traffic and travel information phone system***

The 511 phone system and website was launched statewide in February of 2005. This is a free, user friendly information system that provides real-time updates about road construction, traffic and weather conditions, traffic incidents, transit information, lodging, food, gas and more. The service is available 24 hours a day by dialing 511 or by visiting www.511Virginia.org. Drivers across Virginia are able to make better travel decisions with the use of the 511 phone system.

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Virginia Department of Transportation
Organizational Structure



**Though listed under a different working title, this position meets the statutory requirement in Section 33.1-8 of the Code of Virginia for the Commonwealth Transportation Commissioner to hire an assistant commissioner for the environment, transportation planning, and regulatory affairs*

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FINANCIAL REPORT

FINANCIAL SECTION



JUNE 30, 2005

Management's Discussion and Analysis

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Management's Discussion and Analysis

As management of the Virginia Department of Transportation, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Virginia Department of Transportation for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with the additional information presented in our financial statements. **All amounts, unless otherwise indicated, are expressed in millions of dollars.**

FINANCIAL HIGHLIGHTS

Government-wide Highlights

- The assets of the Virginia Department of Transportation exceeded its liabilities at the end of the fiscal year 2005 by \$11,817 (*net assets*). The Virginia Department of Transportation's total net assets increased by \$702. Net assets of governmental activities increased \$727, while the net assets of business-type activities decreased by \$25.

Fund Highlights

- At the end of the fiscal year, the special revenue and debt service funds of the Virginia Department of Transportation reported a combined ending fund balance of \$1,286, a decrease of \$38. Of this total fund balance, \$1,152 represents unreserved fund balance and the remaining \$134 represents amounts reserved for specific purposes such as inventory and debt service. The Pocahontas Parkway enterprise fund reported a net asset deficit of \$140, an increase in deficit net assets of \$25.

Long-term Debt

- The Department's total debt for governmental activities decreased \$123 from fiscal year 2005. Total debt for business type activities increased \$16.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Virginia Department of Transportation's basic financial statements. The Virginia Department of Transportation's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Virginia Department of Transportation's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Virginia Department of Transportation's assets and liabilities, with the differences between the two reported as *net*

assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Virginia Department of Transportation is improving or deteriorating.

The *statement of activities* presents information showing how the Department's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Virginia Department of Transportation that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through fees (*business-type activities*). The governmental activities of Virginia Department of Transportation include new highway construction and the maintenance of existing highways. Motor vehicle fuels taxes, motor vehicle sales & use taxes, motor vehicle license fees, state sales & use taxes, and federal transportation revenues finance most of the Department's activities. The business-type activities of the Virginia Department of Transportation include operations of the Pocahontas Parkway Association. The Pocahontas Parkway Association is a blended component unit. Though a separate legal entity, it serves or benefits the primary government almost exclusively. See note 1B of the financial statement notes for more information.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Virginia Department of Transportation, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Virginia Department of Transportation can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements are prepared on a modified accrual basis and focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. This may help readers better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Virginia Department of Transportation reports the following governmental fund types:

- **Special Revenue Funds:** There are seven individual special revenue funds reported as major funds in the governmental statements. They account for the ordinary operations of the Virginia Department of Transportation and are supported by revenues from specific revenue sources. There are also eleven nonmajor funds included, detailed in the form of *combining statements*.
- **Debt Service Funds:** There are eight debt service funds reported to account for the accumulation of resources used to pay the principal and interest on long-term obligations recorded in the government-wide statements.

Proprietary Fund: The Virginia Department of Transportation maintains an enterprise fund (a type of proprietary fund) to account for the activities of a blended component unit for Route 895 (Pocahontas Parkway), which is operated by the Pocahontas Parkway Association. *Enterprise funds* are used to report the same functions presented as *business-type activities* in government-wide financial statements. A complete explanation of the Pocahontas Parkway Association is presented in Note 1B of the financial statement notes.

Fiduciary Funds: Fiduciary funds are used to account for resources held by the Virginia Department of Transportation in a trustee capacity or as a fiscal agent on behalf of others, in a custodial nature and do not involve measurement of results of operations. Fiduciary funds are *not* reflected in the government-wide and fund financial statements because the resources of these funds are *not* available to support the Virginia Department of Transportation's own programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

This section includes budgetary comparison schedules for special revenue funds. Combining statements for nonmajor funds are also included in this section.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve as a useful indicator of a government's financial position. In the case of the Virginia Department of Transportation, assets exceeded liabilities by \$11,817 at the close of the most recent fiscal year.

By far the largest portion of the Virginia Department of Transportation's net assets (90%) reflects its investment in capital assets. The Virginia Department of Transportation's capital assets are mainly composed of the highway infrastructure and represent the Department's mission. Although the Virginia Department of Transportation's investment in capital assets are shown in the Net Assets table net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Net Assets:

The following table represents the condensed Statement of Net Assets:

Virginia Department of Transportation Net Assets as of June 30, 2005 and 2004

	Governmental activities		Business-type activities		Total	
	2005	2004*	2005	2004	2005	2004
Current and other assets	\$ 1,932.2	\$ 1,889.6	\$ 48.3	\$ 46.6	\$1,980.5	\$1,936.2
Capital assets	12,688.8	12,031.4	299.3	309.8	12,988.1	\$12,341.2
Total assets	<u>14,621.0</u>	<u>13,921.0</u>	<u>347.6</u>	<u>356.4</u>	<u>14,968.6</u>	<u>14,277.4</u>
Current liabilities	699.6	611.6	8.8	1.1	708.4	612.7
Non-current liabilities	1,963.8	2,078.9	479.1	470.4	2,442.9	2,549.3
Total liabilities	<u>2,663.4</u>	<u>2,690.5</u>	<u>487.9</u>	<u>471.5</u>	<u>3,151.3</u>	<u>3,162.0</u>
Net assets:						
Invested in capital assets						
net of related debt	10,812.7	10,034.9	(162.7)	-	10,650.0	10,034.9
Restricted	255.5	346.7	42.4	40.3	297.9	387.0
Unrestricted	889.4	848.9	(20.0)	(155.4)	869.4	693.5
*Total net assets	<u>\$ 11,957.6</u>	<u>\$ 11,230.5</u>	<u>\$ (140.3)</u>	<u>\$ (115.1)</u>	<u>\$ 11,817.3</u>	<u>\$ 11,115.4</u>

* FY 2004 restated for correction of capital asset balances.

An additional portion of the Virginia Department of Transportation's net assets (3 %) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$869 may be used to meet the department's ongoing obligations.

Net assets for business-type activities continue to report a negative balance. This represents the results of the debt-financed Pocahontas Parkway, which was opened in September 2002.

The Virginia Department of Transportation's net assets for governmental activities increased \$727 (6%) during the current fiscal year. The increase was largely the result of increased capitalization of infrastructure.

Statement of Changes in Net Assets:

The following table represents the condensed Statement of Changes in Net Assets:

Virginia Department of Transportation
Changes in Net Assets
For Fiscal Years Ended June 30, 2005 and 2004

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$323.1	\$304.3	\$10.3	\$7.6	\$ 333.4	\$ 311.9
Capital grants and contributions	879.8	871.6	0.0	0.0	879.8	871.6
General revenues:						
Motor vehicle taxes	1,415.4	1,387.4	0.0	0.0	1,415.4	1,387.4
Sales and use tax	354.8	330.3	0.0	0.0	354.8	330.3
Other taxes	0.7	0.7	0.0	0.0	0.7	0.7
Investment earnings	27.0	7.6	2.1	2.1	29.1	9.7
Other revenues	37.4	34.1	1.3	2.1	38.7	36.2
Transfers to/from other state agencies and	(1.7)	(65.7)	0.0	0.0	(1.7)	(65.7)
Other financing sources (uses)	(0.7)	1.5	(0.2)	(14.9)	(0.9)	(13.4)
Total revenue	<u>3,035.8</u>	<u>2,871.8</u>	<u>13.5</u>	<u>(3.1)</u>	<u>3,049.3</u>	<u>2,868.7</u>
Expenses						
Administrative and support services	220.8	103.9	0.0	0.0	220.8	103.9
Planning and research	20.3	17.7	0.0	0.0	20.3	17.7
Highway system acquisition and construction	448.5	444.7	0.0	0.0	448.5	444.7
Highway system acquisition and construction Bonds	24.2	0.0	0.0	0.0	24.2	0.0
Highway system maintenance	931.9	783.3	0.0	0.0	931.9	783.3
Ground transportation system	12.6	6.7	0.0	0.0	12.6	6.7
Financial assistance to localities	577.7	520.2	0.0	0.0	577.7	520.2
Environmental monitoring and Compliance	0.4	0.0	0.0	0.0	0.4	0.0
Land management	0.7	0.7	0.0	0.0	0.7	0.7
Toll facilities	42.5	42.7	0.0	0.0	42.5	42.7
Unallocated depreciation	5.2	3.0	0.0	0.0	5.2	3.0
Transfers to other state agencies	23.9	18.1	0.0	0.0	23.9	18.1
Pocahontas Parkway	0.0	0.0	38.7	36.7	38.7	36.7
Total expenses	<u>2,308.7</u>	<u>1,941.0</u>	<u>38.7</u>	<u>36.7</u>	<u>2,347.4</u>	<u>1,977.7</u>
Change in net assets	727.1	930.8	(25.2)	(39.8)	701.9	891.0
Net assets - July 1 * as restated	<u>11,230.5</u>	<u>10,299.7</u>	<u>(115.1)</u>	<u>(75.3)</u>	<u>11,115.4</u>	<u>10,224.4</u>
Net assets - June 30	<u>\$ 11,957.6</u>	<u>\$ 11,230.5</u>	<u>\$ (140.3)</u>	<u>\$ (115.1)</u>	<u>\$ 11,817.3</u>	<u>\$ 11,115.4</u>

*FY 05 Beg. Net Assets restated for correction of prior year capital asset balances (note 5).

Governmental activities: Governmental activities increased the Virginia Department of Transportation's net assets by \$727. Key elements of this increase are as follows:

- Program revenues increased by \$27, or 2 percent over last fiscal year. Most of the increase is attributable to the classification of Smart Tag fees as program revenues in fiscal year 2005. Also contributing to the increase is revenues from the Motor Vehicle International Registration Plan that are remitted by the Virginia Department of Motor Vehicles.
- Total general revenues increased by \$72 or 4 percent from fiscal year 2004, with increases primarily in motor vehicle taxes and motor vehicle sales & use taxes.

For the fiscal year ended June 30, 2005, the Virginia Department of Transportation's expenditures from governmental activities totaled \$2,309, an increase of \$368 from the previous year. Most of the change is attributable to increases in administrative and support services and highway system maintenance charges. Also contributing to the increase is higher assistance to localities, which include the cost of urban infrastructure that is turned over to the localities.

Business-type activities: Pocahontas Parkway Association experienced its third full year of operation in 2005 and toll revenues increased \$2.7 (35 %) over last year. As of June 2005, actual traffic using the facility averaged about 105,000 vehicles per week, which is approximately 48 percent of the initial forecast. Expenses increased to \$39 in fiscal year 2005 from \$37 in fiscal year 2004. Other financing uses decreased to \$0.2 in fiscal year 2005 from \$15 in fiscal year 2004. The decrease in other financing uses is primarily due to the disbursement of surplus moneys held by the Pocahontas Parkway Association Construction Fund to the VDOT Capital Cost Savings Account in compliance with the Trust Indenture. The amount transferred in fiscal year 2005 was \$0.2 compared to \$15 in fiscal year 2004. In April, 2005, Moody's Investors Service downgraded the Association's Senior Toll Road Revenue Bonds from Ba2 to Ba3 and the First Tier Subordinate Bonds from B1 to B3. In August, 2005, Standard & Poor's downgraded the Senior Bonds from BB to BB-. There was no change in the rating from Fitch's (BBB-) during the year.

Financial Analysis of the Department's Funds

As noted earlier, the Virginia Department of Transportation uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the Virginia Department of Transportation's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Virginia Department of Transportation's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Virginia Department of Transportation (Agency 501) ended the fiscal year with a fund balance of \$1,286, a decrease of \$38 from the prior year. The decrease in fund balance was largely the result of expenditures exceeding revenues for the fiscal year. Revenues increased 4% while expenditures increased 9%. Changes in expenditures included a 21% increase in maintenance expenditures, mostly for primary and secondary road maintenance. This increase was offset by a 9% decrease in construction expenditures. Revenues included a transfer of \$200

from the General Fund at the end of fiscal year 2005 as a part of the 2005 Transportation Initiative. Approximately 90 percent of the ending fund balance, \$1,152 constitutes *unreserved fund balance*, which is available for spending at the Department's discretion. However, the Virginia Department of Transportation has commitments related to operating leases, right of way acquisitions and other contractual commitments related to current construction projects and planned maintenance activities. Note 3 of the notes to the financial statements provides a complete explanation of these amounts.

The Virginia Department of Transportation's main operating funds consist of the Highway Maintenance and Operating Fund, and the Transportation Trust Fund (Construction). These funds are reported as major funds in the governmental fund statements along with the Federal Highway Fund, Priority Transportation Fund, Federal Highway Reimbursement Anticipation Notes Fund, Route 58 Special Revenue Fund and Toll Facilities Revolving Fund. The major funds that showed significant changes in fund balance between fiscal years 2005 and 2004 are as follows:

- Changes in the fund balance of the Highway Maintenance and Operating Fund were a decrease of \$5 in fiscal 2005 compared to an increase of \$2 in fiscal year 2004. While total revenues increased by \$33 or 2.5 percent and other financing sources increased \$302 or 421 percent, total expenditures increased by \$343 or 27.3 percent. The increase in expenditures is primarily the result of higher maintenance expenditures, mostly primary and secondary, which increased \$188 or 21% from fiscal year 2004. This fund also had increased expenditures by paying for all charges for the administrative and support services in fiscal year 2005. As part of the agency's budget accountability and transparency, all administrative and support services budgets were consolidated into one program (619). Fiscal year 2005 was the first year of its implementation. In fiscal year 2004, some expenditures (program 60309) for administrative and support services were charged to the Construction Fund. The increase in other financing sources is related to a higher transfer in from the Construction Fund in fiscal year 2005 compared to fiscal year 2004.
- Changes in the fund balance of the Construction Fund were a decrease of \$2 in fiscal year 2005 compared to an increase in fiscal year 2004 of \$391. Total revenues increased by \$239 or 37 percent. This was mostly as a result of the transfer of \$200 from the General Fund at the end of fiscal year 2005 as a part of the 2005 Transportation Initiative. Total expenditures increased by \$356 and other financing uses increased \$276. The increase in expenditures is primarily due to most of the non federal funded payments for construction expenditures in fiscal year 2005 were from the construction fund. In fiscal year 2004, construction expenditures in this fund were lower due to management using the Federal Highway Reimbursement Anticipation Notes Fund, the Priority Transportation Fund and the Route 28 Special Revenue Fund to pay for some construction expenditures. The increase in other financing uses is related to a higher transfer out to the Highway Maintenance & Operating fund in fiscal year 2005 compared to fiscal year 2004.
- Changes in the fund balance of the Priority Transportation Fund were an increase of \$3 in fiscal year 2005 compared to a decrease of \$16 in fiscal year 2004. Revenues decreased by \$47, or 43 percent, total expenditures decreased by \$75, or 99 percent and other financing uses increased by \$10, or 21 percent. The increase in fund balance is primarily due to the reduction in construction expenditures. Construction expenditures were paid from the

Priority Transportation Fund in fiscal year 2004, while there was only a small amount of construction expenditures paid from the fund in fiscal year 2005.

- Changes in the fund balance of the Federal Highway Reimbursement Anticipation Notes Fund were a decrease of \$22 in fiscal year 2005 compared to decrease of \$266 in fiscal year 2004. Interest and dividend revenues decreased \$1, while total expenditures decreased \$202 due to lower construction expenditures. Other financing uses decreased \$43 due to lower transfers out to other funds.
- Changes in the fund balance of the Route 58 Special Revenue Fund were a decrease of \$36 in fiscal year 2005 compared to a decrease of \$34 in fiscal year 2004. This decrease is consistent with the change in fiscal year 2004 and is the result of net unfavorable transfers out.

The Debt Service funds have a total fund balance of \$75 in fiscal year 2005, all of which is reserved for the debt payment. This is an increase of \$1 from the fund balance in fiscal year 2004. The increase is mainly due to a higher cash equivalent with the trustees that is accumulated in Federal Highway Reimbursement Anticipation Notes for future debt service payments.

Proprietary funds: The Pocahontas Parkway Association accumulated deficit balance increased to \$140 in fiscal year 2005 from \$115 in fiscal year 2004. The increase in accumulated deficit is primarily attributed to toll revenues being only about 48 percent of forecast.

Special Revenue Fund Budgetary Highlights

**Virginia Department of Transportation
Budget Comparison Summary
Special Revenue Fund
For the Fiscal Year Ended June 30, 2005**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 1,898.3	\$ 1,898.3	\$ 1,768.2	\$ (130.1)
Intergovernmental	745.8	745.8	466.2	(279.6)
Other	443.2	643.2	749.2	106.0
Total	3,087.3	3,287.3	2,983.6	(303.7)
Expenditures	2,868.2	3,658.6	2,740.2	918.4
Revenues over (under) expenditures	219.1	(371.3)	243.4	614.7
Other sources	48.5	108.6	(212.4)	(321.0)
Revenues and other sources over (under) expenditures	267.6	(262.7)	31.0	293.7
Fund balance - July 1, as restated	1,265.2	1,265.2	1,265.2	-
Fund balance - June 30	\$ 1,532.8	\$ 1,002.5	\$ 1,296.2	\$ 293.7

The Virginia Department of Transportation's programs are authorized through the Commonwealth's biennial budget and annual appropriation process. The appropriation is based on the revenues that are expected to be available to the Virginia Department of Transportation

during the given fiscal year. In addition, the Virginia Department of Transportation prepares an internal annual budget that is approved by the Commonwealth Transportation Board.

Capital Assets and Debt Administration

Capital assets: The Virginia Department of Transportation's investment in capital assets for its governmental and business type activities as of June 30, 2005, amounts to \$12,988 (net of accumulated depreciation.) This investment in capital assets includes land, buildings, improvements, equipment, and highway infrastructure. The total increase in the Virginia Department of Transportation's investment in capital assets for the current fiscal year was 5%.

Virginia Department of Transportation Capital Assets as of June 30, 2005 and 2004 (net of depreciation)						
	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Depreciable Capital Assets:						
Buildings and improvements	\$110.4	\$109.6	\$ -	\$ -	\$ 110.4	\$ 109.6
Equipment	126.9	103.3			126.9	103.3
Total Depreciable Capital Assets	<u>237.3</u>	<u>212.9</u>	<u>-</u>	<u>-</u>	<u>237.3</u>	<u>212.9</u>
Non Depreciable Capital Assets:						
Land and improvements	21.3	18.7	14.4	14.4	35.7	33.1
Construction in process	35.3	29.8	-	-	35.3	29.8
Total Non Depreciable Capital Assets	<u>56.6</u>	<u>48.5</u>	<u>14.4</u>	<u>14.4</u>	<u>71.0</u>	<u>62.9</u>
Infrastructure Assets:						
Highway system right-of-way, non depreciable	1,325.6	1,212.0			1,325.6	1,212.0
Highway system infrastructure	6,118.4	5,570.3	284.9	295.4	6,403.3	5,865.7
Restorative maintenance	582.9	428.9	-	-	582.9	428.9
Bridge and tunnel infrastructure	2,067.8	2,083.4	-	-	2,067.8	2,083.4
Infrastructure work in process	2,300.2	2,475.4	-	-	2,300.2	2,475.4
Total Infrastructure assets	<u>12,394.9</u>	<u>11,770.0</u>	<u>284.9</u>	<u>295.4</u>	<u>12,679.8</u>	<u>12,065.4</u>
Total Assets	<u>\$12,688.8 *</u>	<u>\$ 12,031.4</u>	<u>\$ 299.3</u>	<u>\$ 309.8</u>	<u>\$ 12,988.1 *</u>	<u>\$ 12,341.2</u>

*Fiscal year 2005 beginning capital assets of governmental activities were restated for correction of prior year capital asset balances, (note 5).

Additional information on the Virginia Department of Transportation's capital assets can be found in note 10.

Long-term debt: At the end of the current fiscal year, the Commonwealth Transportation Board (CTB) had total bonded debt outstanding of \$1,860 related to governmental activities. Of this amount, \$122 comprises debt backed by the full faith, credit, and taxing power of the Commonwealth. The majority, \$1,738 of the Commonwealth Transportation Board's bonds payable, is comprised of revenue bonds and is not backed by the full faith and credit of the Commonwealth. The \$463 of Toll Road Revenue Bonds reported under business-type activities is a special limited obligation of the Pocahontas Parkway Association.

**Virginia Department of Transportation
Outstanding Bonds
as of June 30, 2005 and 2004**

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
General Obligation Bonds:						
Section 9(b) debt	\$ 31.8	\$ 36.1	-	-	\$ 31.8	\$ 36.1
Section 9(c) debt	90.5	100.1	-	-	90.5	100.1
Total General Obligation Bonds	<u>122.3</u>	<u>136.2</u>	<u>-</u>	<u>-</u>	<u>122.3</u>	<u>136.2</u>
Section 9(d) debt						
Transportation Revenue Bonds	1,033.5	1,060.8	-	-	1,033.5	1,060.8
Federal Highway Reimbursement						
Anticipation Notes	704.7	786.7	-	-	704.7	786.7
Total Section 9(d) debt	<u>1,738.2</u>	<u>1,847.5</u>	<u>-</u>	<u>-</u>	<u>1,738.2</u>	<u>1,847.5</u>
Toll Road Revenue Bonds	-	-	\$463.4	\$447.4	463.4	447.4
Total Bonds Payable	<u>\$ 1,860.5</u>	<u>\$ 1,983.7</u>	<u>\$ 463.4</u>	<u>\$ 447.4</u>	<u>\$ 2,323.9</u>	<u>\$ 2,431.1</u>

The Commonwealth Transportation Board's bonds debt, from governmental activities, decreased by \$123.2 (6.0%) during the current fiscal year. The decrease was the result of refunding \$227.9 in US Route 58 Corridor Program Transportation Revenues and Refunding Bonds, Series 1996B, 1999B and 2001B and issuing \$232.3 in US Route 58 Corridor Program Transportation Revenues and Refunding Bonds, Series 2004B. Also refunded were \$85.8 in Northern Virginia District Program Transportation Revenues and Refunding Bonds, Series 1996A, 1999A and 2001A and issuing \$89.4 in Northern Virginia District Program Transportation Revenues and Refunding Bonds, Series 2004A. Payment on bond principal amounts was another reason for the decrease in the total bond debt for fiscal year 2005.

The bond market conditions were very favorable during the fiscal year 2005 and allowed the Commonwealth Transportation Board to proceed with the issuance of additional authorized debt and the refunding of the existing debt at lower interest rates. Early in fiscal year 2005, the Commonwealth Transportation Board initiated the following activities:

Issued \$232.3 in US Route 58 Corridor Development Program, Commonwealth of Virginia Transportation Revenue and Refunding Bonds, Series 2004B at rates varying from 4.75% to 5.25%. Proceeds of these bonds were used to defease \$75.6 of Transportation Revenue Bonds, Series 1996B, \$121.5 of Transportation Revenue Bonds, Series 1999B and \$30.9 of Transportation Revenue Bonds, Series 2001B.

Issued \$89.4 in Northern Virginia Transportation District Program, Commonwealth of Virginia Transportation Revenue and Refunding Bonds, Series 2004A at rates varying from 4.00% to 5.00%. Proceeds of these bonds were used to defease \$48.4 of Transportation Revenue Bonds, Series 1996A, \$19.8 of Transportation Revenue Bonds, Series 1999A and \$17.7 of Transportation Revenue Bonds, Series 2001A.

Additional information on the Virginia Department of Transportation's long-term liabilities can be found in note 6.

Economic Factors and Next Year's Budget

The current economic conditions are impacting the budgets and activities of the Virginia Department of Transportation both directly and indirectly. The following are key issues or events that are impacting future fiscal years governmental activities:

- Additional funding is needed for the highway maintenance program to protect the Virginia Department of Transportation's infrastructure investment. It is anticipated that this will cause a decrease in state funds available to match federal dollars, which will in turn lead to fewer new projects in the construction program.
- Damage from Tropical Storm Gaston resulted in damage to roads, bridges, and tunnels due to flooding. This places an even greater burden on future maintenance program expenditures since emergency repair took precedence over a significant amount of scheduled highway maintenance in fiscal year 2005.
- State revenues are estimated for fiscal year 2006 to increase only modestly from those realized in fiscal year 2005. Rising oil prices due to Hurricane Katrina has added uncertainty to estimates of growth in fuel consumption. While actual revenues did marginally exceed estimates in fiscal year 2005, this is not expected to be the norm for fiscal years 2006 through 2011.
- In fiscal year 2006, a construction fund transfer of \$186 was budgeted and will be transferred by mid-year to cover the Highway Maintenance and Operations Fund revenue shortfall. Similar transfers of increasing magnitude are forecasted for the next five years. Expected amounts needed to cover revenue shortfalls for fiscal year 2007 through 2011 are \$229, \$246, \$280, \$299, and \$334, respectively.

The above have been considered in the preparation of the Virginia Department of Transportation's fiscal 2006 budget and 2007 – 2011 forecasts. The Department will continue to focus on enhancing its financial practices and the development of conservative forecasts.

Requests for Information

This financial report is designed to provide a general overview of the Virginia Department of Transportation's finances for all those with an interest in the Department's finances. Questions concerning any of the information provided or requests for additional information should be directed to:

Virginia Department of Transportation
Controller's Office
1401 East Broad Street
Richmond, Virginia 23219

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FINANCIAL REPORT

BASIC FINANCIAL STATEMENTS



JUNE 30, 2005

<p>Government-wide Financial Statements</p>
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Virginia Department of Transportation
Statement of Net Assets
June 30, 2005

	Governmental Activities	Business - Type Activities	Total
Assets :			
Cash with the Treasurer of Virginia (Note 12)	\$1,136,293,750	\$0	\$1,136,293,750
Cash , and cash equivalents with trustees (Note 12)	162,821,072	7,118,393	169,939,465
Investments with trustees (Note 12)	0	35,305,446	35,305,446
Collateral held for securities lending - investments (Note 12)	304,363,117	0	304,363,117
Advance fund	707,900	0	707,900
Prepaid items	0	16,974	16,974
Receivables: (Net)			
Federal government	66,079,366	0	66,079,366
Cities, counties, and towns	13,576,097	0	13,576,097
State agencies	3,708,591	0	3,708,591
Other	72,823,420	776,929	73,600,349
Taxes Receivable	97,013,258	0	97,013,258
Due from component units	21,073,990	0	21,073,990
Due from other agencies	1,030,029	0	1,030,029
Capitalized bond discounts and issue costs	9,774,196	5,119,889	14,894,085
Inventory (Note 1- G)	42,904,674	0	42,904,674
Depreciable Capital Assets, Net (Note 10)	237,303,673	284,892,984	522,196,657
Infrastructure, net (Note 10)	8,769,122,206	0	8,769,122,206
Infrastructure non deprec. (Note 10)	1,325,584,279	0	1,325,584,279
Infrastructure, Work in Process (Note 10)	2,300,230,383	0	2,300,230,383
Non Depreciable Capital Assets (Note 10)	56,586,536	14,434,537	71,021,073
Total Assets	14,620,996,537	347,665,152	14,968,661,689
Liabilities :			
Accounts payable	224,310,439	108,440	224,418,879
Deposits payable	26,606,142	0	26,606,142
Payable for collateral held for securities lending	304,363,117	0	304,363,117
Deferred revenue	7,278,811	0	7,278,811
Premium on bonds payable	99,570,807	0	99,570,807
Accrued liabilities	30,386,381	0	30,386,381
Retainage on contracts	7,049,729	0	7,049,729
Non Current Liabilities			
Interest payable	28,009,368	3,420,469	31,429,837
Compensated absences (Note 1- J and Note 6)			
Expected to be paid within one year	33,767,814	0	33,767,814
Expected to be paid after one year	25,996,429	0	25,996,429
Capital leases payable (Note 6)			
Expected to be paid within one year	178,928	0	178,928
Expected to be paid after one year	0	0	0
Bonds and Notes Payable (Note 6)			
Portion due within one year	142,135,117	5,300,000	147,435,117
Portion due after one year	1,730,716,284	458,057,135	2,188,773,419
Due to other state agencies	3,007,211	0	3,007,211
Due to Virginia Dept. of Transportation	0	21,073,990	21,073,990
Total liabilities	2,663,376,577	487,960,034	3,151,336,611
Net Assets			
Invested in Capital Assets net of related debt	10,812,754,265	(162,712,234)	10,650,042,031
Restricted for (Note 7)			
Bond Financed Road			
Construction.	164,855,329	0	164,855,329
Other	15,101,933	10,595	15,112,528
Debt service	75,520,158	42,413,243	117,933,401
Unrestricted	889,388,275	(20,006,486)	869,381,789
Total Net Assets	\$11,957,619,960	(\$140,294,882)	\$11,817,325,078

The accompanying notes are an integral part of this financial statement

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VIRGINIA DEPARTMENT OF TRANSPORTATION
STATEMENT OF ACTIVITIES
JUNE 30, 2005

Functions Programs	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		
					GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
Primary Government							
Governmental Activities							
Administrative and support services	\$220,837,324				(\$220,837,324)		(\$220,837,324)
Ground transportation system planning and research	20,279,899				(20,279,899)		(20,279,899)
Highway system acquisition and construction	448,490,419	\$29,354,244	\$0	\$769,755,747	350,619,572		350,619,572
Highway system acquisition and construction bonds	24,216,506	5,473,191		106,902,415	88,159,100		88,159,100
Highway system maintenance	931,872,791	216,875,567		1,405,789	(713,591,435)		(713,591,435)
Ground transportation system safety	12,551,818				(12,551,818)		(12,551,818)
Financial assistance to localities	577,669,228				(577,669,228)		(577,669,228)
Environmental monitoring and compliance	437,274				(437,274)		(437,274)
Land management	748,252				(748,252)		(748,252)
Toll facilities operations and construction	42,522,069	71,400,958	0	1,739,540	30,618,429		30,618,429
Unallocated Depreciation (excludes direct depreciation)	5,166,725				(5,166,725)		(5,166,725)
Transfers to other state agencies (Note 9)	23,862,562				(23,862,562)		(23,862,562)
Total Governmental Activities	2,308,654,867	323,103,960	0	879,803,491	(1,105,747,416)		(1,105,747,416)
Business-Type Activities							
Pocahontas Parkway	38,796,921	10,343,817				(\$28,453,104)	(28,453,104)
Total Business Type Activities	38,796,921	10,343,817	0			(28,453,104)	(28,453,104)
Total Primary Government	\$2,347,451,788	\$333,447,777	\$0	\$879,803,491	(\$1,105,747,416)	(\$28,453,104)	(\$1,134,200,520)

GENERAL REVENUES

Taxes			
Motor Vehicle Fuel Tax	\$842,024,239		\$842,024,239
Road Use Tax	3,194,530		3,194,530
Sales and Use Tax	354,805,141		354,805,141
MV Sales and Use Tax	562,935,180		562,935,180
MV Rental Tax	5,575,109		5,575,109
Aviation Fuel Tax	1,707,705		1,707,705
Other Taxes	746,146		746,146
Investment Earnings	26,961,748	\$2,079,533	29,041,281
Other Revenues	34,380,956	1,344,776	35,725,732
Gain on sales	3,047,185		3,047,185
Transfers to other State Agencies and Gen Fund (Note 9)	(69,998,662)		(69,998,662)
Transfers from other State Agencies and Gen Fund (Note 9)	68,248,363		68,248,363
Other Financing Sources (Uses)	(753,216)	(204,432)	(957,648)
Total General Revenues, Special Items and Transfers	1,832,874,424	3,219,877	1,836,094,301
Change in Net Assets	727,127,008	(25,233,227)	701,893,781
Net Assets July 1, as restated (Note 5)	11,230,492,952	(115,061,655)	11,115,431,297
Net Assets June 30	\$11,957,619,960	(\$140,294,882)	\$11,817,325,078

The accompanying notes are an integral part of this financial statement

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**Major Governmental Funds
Special Revenue
and Debt Service**

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**VIRGINIA DEPARTMENT OF TRANSPORTATION
BALANCE SHEET GOVERNMENTAL FUNDS
SPECIAL REVENUE
June 30, 2005**

	HIGHWAY MAINTENANCE & OPERATING	FEDERAL	CONSTRUCTION
ASSETS			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 12)	\$186,171,100	\$436,081	\$515,266,639
Cash and cash equivalents with trustees (Note 12)	0	0	605,366
Collateral held for sec. lending - investments (Note 12)	0	0	0
Advance fund	429,900	0	125,000
Receivables: (Net)			
Federal government	0	66,079,366	0
Cities, counties, and towns	1,071,778	0	12,504,319
State agencies	3,708,591	0	0
Other	1,364,116	0	19,699,896
Taxes receivable	69,042,142	0	27,971,116
Due from component unit	389,425	0	9,433,556
Due from other funds	18,081	61,119	29,615,620
Due from agencies	0	0	0
Inventory (Note 1 G)	35,653,701	0	1,721,831
Total assets	\$297,848,834	\$66,576,566	\$616,943,343
LIABILITIES AND FUND BALANCES			
Liabilities :			
Accounts payable	\$139,876,345	\$49,685,064	\$30,096,389
Deposits payable	11,655,210	458,015	340,267
Payable for collateral held for securities lending	0	0	0
Due to other funds	61,119	12,424,520	10,514,509
Due to other agencies	0	0	3,007,211
Deferred revenue	10,056,297	3,513,149	26,500,201
Liability for compensated absences	100,578	0	0
Accrued liabilities	25,826,981	0	4,235,487
Retainage on contracts	1,078,506	0	5,446,172
Total liabilities	188,655,036	66,080,748	80,140,236
Fund Balances Reserved for			
Inventories	35,653,701	0	1,721,831
Other	0	495,818	0
Fund Balances Unreserved			
Reported In			
Special Revenue	73,540,097	0	535,081,276
Total fund balances	109,193,798	495,818	536,803,107
Total liabilities and fund balances	\$297,848,834	\$66,576,566	\$616,943,343

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION
BALANCE SHEET GOVERNMENTAL FUNDS
SPECIAL REVENUE
June 30, 2005**

PRIORITY TRANSPORTATION FUND	TOLL FACILITIES REVOLVING	ROUTE 58
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ASSETS

Cash and cash equivalents with the Treasurer of Virginia (Note 12)	\$187,625,697	\$43,959,346	\$24,778,248
Cash and cash equivalents with trustees (Note 12)	0	15,891,739	10,721,629
Collateral held for sec. lending - investments (Note 12)	53,568,147	213,011,774	7,054,882
Advance fund	0	0	0
Receivables: (Net)			
Federal government	0	0	0
Cities, counties, and towns	0	0	0
State agencies	0	0	0
Other	0	51,610,296	0
Taxes receivable	0	0	0
Due from component unit	0	9,441,619	0
Due from other funds	10,514,509	76,067,896	0
Due from agencies	1,030,029	0	0
Inventory (Note 1 G)	0	5,529,142	0
Total assets	\$252,738,382	\$415,511,812	\$42,554,759

LIABILITIES AND FUND BALANCES

Liabilities :			
Accounts payable	\$0	\$596,580	\$2,745,663
Deposits payable	0	14,152,650	0
Payable for collateral held for securities lending	53,568,147	213,011,774	7,054,882
Due to other funds	0	2,677,174	0
Due to other agencies	0	0	0
Deferred revenue	0	638,017	0
Liability for compensated absences	0	0	0
Accrued liabilities	0	0	0
Retainage on contracts	0	0	313,264
Total liabilities	53,568,147	231,076,195	10,113,809
Fund Balances Reserved for			
Inventories	0	5,529,142	0
Other	0	0	0
Fund Balances Unreserved			
Reported In			
Special Revenue	199,170,235	178,906,475	32,440,950
Total fund balances	199,170,235	184,435,617	32,440,950
Total liabilities and fund balances	\$252,738,382	\$415,511,812	\$42,554,759

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION
BALANCE SHEET GOVERNMENTAL FUNDS
SPECIAL REVENUE
June 30, 2005**

FEDERAL REIMBURSEMENT ANTICIPATION NOTES	TOTAL NON MAJOR FUNDS	Totals (Memorandum Only)	
		June 30, 2005	June 30, 2004

ASSETS

Cash and cash equivalents				
with the Treasurer of Virginia (Note 12)	\$616,603	\$175,307,026	\$1,134,160,740	\$1,098,417,567
Cash and cash equivalents with trustees (Note 12)	28,915,618	33,299,572	89,433,924	107,559,152
Collateral held for sec. lending - investments (Note 12)	1,298,549	29,429,765	304,363,117	271,110,052
Advance fund	0	153,000	707,900	742,900
Receivables: (Net)				
Federal government	0	0	66,079,366	79,870,105
Cities, counties, and towns	0	0	13,576,097	7,177,586
State agencies	0	0	3,708,591	3,088,031
Other	0	149,112	72,823,420	78,385,448
Taxes receivable	0	0	97,013,258	94,201,149
Due from component unit	0	1,809,390	21,073,990	19,651,109
Due from other funds	0	2,677,173	118,954,398	146,575,152
Due from agencies	0	0	1,030,029	3,753,000
Inventory (Note 1 G)	0	0	42,904,674	39,921,817
Total assets	\$30,830,770	\$242,825,038	\$1,965,829,504	\$1,950,453,068

LIABILITIES AND FUND BALANCES

Liabilities :				
Accounts payable	\$0	\$1,310,398	\$224,310,439	\$185,484,242
Deposits payable	0	0	26,606,142	28,103,051
Payable for collateral held for securities lending	1,298,549	29,429,765	304,363,117	271,110,052
Due to other funds	0	93,277,076	118,954,398	146,575,152
Due to other agencies	0	0	3,007,211	0
Deferred revenue	0	126,529	40,834,193	29,323,531
Liability for compensated absences	0	497	101,075	200,655
Accrued liabilities	0	323,913	30,386,381	28,758,751
Retainage on contracts	0	211,787	7,049,729	10,909,123
Total liabilities	1,298,549	124,679,965	755,612,685	700,464,557
Fund Balances Reserved for				
Inventories	0	0	42,904,674	39,921,817
Other	0	15,101,933	15,597,751	15,262,701
Fund Balances Unreserved				
Reported In				
Special Revenue	29,532,221	103,043,140	1,151,714,394	1,194,803,993
Total fund balances	29,532,221	118,145,073	1,210,216,819	1,249,988,511
Total liabilities and fund balances	\$30,830,770	\$242,825,038	\$1,965,829,504	\$1,950,453,068

The accompanying notes are an integral part of this financial statement

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VIRGINIA DEPARTMENT OF TRANSPORTATION
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
June 30, 2005

	ROUTE 58	ROUTE 28	NORTHERN VA. TRANSP. DISTRICT	FEDERAL REIMBURSEMENT ANTICIPATION NOTES	COLEMAN BRIDGE	OMER L. HIRST- ADELARD L. BRAULT EXPRESSWAY	POWHITE PARKWAY EXTENSION	TRANSPORTATION SET ASIDE	TOTALS
ASSETS									
Cash and cash equivalents with the Treasurer of Virginia (Note 12)	\$0	\$0	\$0	\$0	\$292,606	\$940,328	\$900,076	\$0	\$2,133,010
Cash, cash equivalents with trustees (Note 12)	14,814	1	8,188	73,363,658	0	0	0	487	73,387,148
Total assets	\$14,814	\$1	\$8,188	\$73,363,658	\$292,606	\$940,328	\$900,076	\$487	\$75,520,158
LIABILITIES AND FUND EQUITY									
Liabilities:									
Fund equity:									
Fund balances	14,814	1	8,188	73,363,658	292,606	940,328	900,076	487	75,520,158
Total Liabilities and Fund Equity	\$14,814	\$1	\$8,188	\$73,363,658	\$292,606	\$940,328	\$900,076	\$487	\$75,520,158

The accompanying notes are an integral part of this financial statement

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VIRGINIA DEPARTMENT OF TRANSPORTATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2005

	SPECIAL REVENUE	DEBT SERVICE	Totals June 30, 2005
ASSETS			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 12)	\$1,134,160,740	\$2,133,010	\$1,136,293,750
Cash and cash equivalents with trustees (Note 12)	89,433,924	73,387,148	162,821,072
Collateral held for securities lending (Note 12)	304,363,117	0	304,363,117
Advance fund	707,900	0	707,900
Receivables: (Net)			
Federal government	66,079,366	0	66,079,366
Cities, counties, and towns	13,576,097	0	13,576,097
State agencies	3,708,591	0	3,708,591
Other	72,823,420	0	72,823,420
Taxes Receivable	97,013,258	0	97,013,258
Due from component unit	21,073,990	0	21,073,990
Due from other funds	118,954,398	0	118,954,398
Due from agencies	1,030,029	0	1,030,029
Inventory (Note 1G)	42,904,674	0	42,904,674
Total Asset:	<u>\$1,965,829,504</u>	<u>\$75,520,158</u>	<u>\$2,041,349,662</u>
LIABILITIES AND FUND EQUITY			
Accounts payable	\$224,310,439	\$0	\$224,310,439
Deposits payable	26,606,142	0	26,606,142
Payable for collateral held for securities lending	304,363,117	0	304,363,117
Due to other funds	118,954,398	0	118,954,398
Due to other agencies	3,007,211	0	3,007,211
Deferred revenue	40,834,193	0	40,834,193
Compensated absences payable	101,075	0	101,075
Accrued liabilities	30,386,381	0	30,386,381
Retainage on contracts	7,049,729	0	7,049,729
Total liabilities	<u>755,612,685</u>	<u>0</u>	<u>755,612,685</u>
Fund Balance Reserved for			
Inventory	42,904,674	0	42,904,674
Other	15,597,751	0	15,597,751
Debt Service	0	75,520,158	75,520,158
Fund Balance Unreserved for			
Special Revenue	<u>1,151,714,394</u>	<u>0</u>	<u>1,151,714,394</u>
Total Fund Equity	<u>1,210,216,819</u>	<u>75,520,158</u>	<u>1,285,736,977</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,965,829,504</u>	<u>\$75,520,158</u>	<u>\$2,041,349,662</u>

The accompanying notes are an integral part of this financial statement

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VIRGINIA DEPARTMENT OF TRANSPORTATION

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2005**

Total fund balances - governmental funds \$1,285,736,977

Amounts reported for governmental activities in the statement of net assets
are different because:

When capital assets (land, buildings, equipment, improvements, construction in progress, and infrastructure) that are to be used in governmental activities are purchased or constructed, the costs of these assets are reported as expenditures in governmental funds. However the Statement of Net Assets includes those capital assets.

Land and Non depreciable capital assets	\$56,586,536	
Equipment and Buildings	413,872,421	
Infrastructure assets	21,116,147,186	
Accumulated Depreciation	<u>(8,897,779,066)</u>	
Total capital assets		12,688,827,077

Other long term assets are not available to pay for current period expenditures and therefore are not reported in the funds. 43,329,578

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of :

Bond and notes payable	(1,872,851,401)	
Capital leases	(178,928)	
Interest payable	(28,009,368)	
Premium payable	(99,570,807)	
Compensated absences	<u>(59,663,168)</u>	
Total liabilities		<u>(2,060,273,672)</u>

Net assets of governmental activities \$11,957,619,960

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**VIRGINIA DEPARTMENT OF TRANSPORTATION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2005**

	HIGHWAY MAINTENANCE & OPERATING	FEDERAL	CONSTRUCTION
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$0	\$0	\$200,000,000
Taxes	1,131,041,762	0	621,782,588
Rights and privileges	208,448,551	0	25,948,221
Sale of property and commodities	322,393	0	3,047,185
Interest, dividends and rents	58,069	0	3,382,138
Fines, forfeitures, court fees, penalties, and escheats	8,046,554	0	23,885
Federal grants and contracts	0	462,360,126	0
Receipts from cities, counties, and towns	494,736	0	25,536,855
Toll revenue	0	0	0
Other revenue	13,498,440	0	8,195,799
Total revenue	1,361,910,505	462,360,126	887,916,671
Expenditures			
Current:			
Administrative and support services	226,941,382	123,368	580,956
Ground transportation system planning and research	4,114,048	10,223,767	5,942,084
Highway system acquisition and construction	0	446,711,640	530,308,678
Highway system acquisition and construction-Bond Proceeds	0	0	0
Highway system maintenance	1,047,149,038	20,781,845	0
Ground transportation system safety	12,049,249	502,569	0
Financial assistance to localities	271,119,543	4,922,548	4,377,583
Environmental monitoring and compliance	11,543,999	0	0
Land management	748,252	0	0
Toll facilities operations and construction	0	0	0
Capital Outlay	34,476	0	18,520,526
Transfers to other state agencies (Note 9)	23,862,562	0	0
Total expenditures	1,597,562,549	483,265,737	559,729,827
Revenues over (under) expenditures	(235,652,044)	(20,905,611)	328,186,844
Other financing sources (uses)			
Other financing sources (uses)	0	0	0
Bond Proceeds	0	0	0
Transfers to other state agencies and General Fund (Note 9)	(19,649,873)	(61,945)	(17,394,480)
Transfers from other state agencies and General Fund (Note 9)	619,150	21,098,174	23,821,867
Transfers in (Note 9)	249,366,757	118,971,646	3,467
Transfers out (Note 9)	(1,910)	(118,971,646)	(336,963,125)
Total other financing sources (uses)	230,334,124	21,036,229	(330,532,271)
Net Change in Fund Balance	(5,317,920)	130,618	(2,345,427)
Beginning fund balance - July 1 as restated (Note 5)	114,511,718	365,200	539,148,534
Ending fund balance - June 30	\$109,193,798	\$495,818	\$536,803,107

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2005**

Revenues

Revenues provided by the General

Fund of the Commonwealth

Taxes	\$37,439,911	\$0	\$40,000,000
Rights and privileges	18,333,333	0	0
Sale of property and commodities	0	0	0
Interest, dividends and rents	0	0	345
Fines, forfeitures, court fees, penalties, and escheats	4,806,523	22,155,225	2,327,371
Federal grants and contracts	0	20,496	0
Receipts from cities, counties, and towns	0	0	0
Toll revenue	0	0	0
Other revenue	0	12,742,220	39,757
Total revenue	60,579,767	34,917,941	42,367,473

Expenditures

Current:

Administrative and support services	0	0	0
Ground transportation system planning and research	0	0	0
Highway system acquisition and construction	891,991	0	0
Highway system acquisition and construction-Bond Proceeds	0	0	48,989,915
Highway system maintenance	0	0	0
Ground transportation system safety	0	0	0
Financial assistance to localities	0	0	0
Environmental monitoring and compliance	0	0	0
Land management	0	0	0
Toll facilities operations and construction	0	15,333,406	0
Capital Outlay	0	0	0
Transfers to other state agencies (Note 9)	0	0	0
Total expenditures	891,991	15,333,406	48,989,915

Revenues over (under) expenditures

59,687,776	19,584,535	(6,622,442)
------------	------------	-------------

Other financing sources (uses)

Other financing sources (uses)	(164,843)	(581,348)	(84,268)
Bond Proceeds	0	0	237,535
Transfers to other state agencies and General Fund (Note 9)	0	0	0
Transfers from other state agencies and General Fund (Note 9)	1,030,029	0	0
Transfers in (Note 9)	91,659,533	0	15,000,000
Transfers out (Note 9)	(148,971,646)	(60,411)	(44,499,149)
Total other financing sources (uses)	(56,446,927)	(641,759)	(29,345,882)

Net Change in Fund Balance

3,240,849	18,942,776	(35,968,324)
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Beginning fund balance - July 1 as restated (Note 5)

195,929,386	165,492,841	68,409,274
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Ending fund balance - June 30

\$199,170,235	\$184,435,617	\$32,440,950
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The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2005**

GOVERNMENT FUNDS-SPECIAL REVENUE June 30, 2005			Totals (MEMORANDUM ONLY) JUNE 30, 2005 JUNE 30, 2004	
	FEDERAL REIMBURSEMENT ANTICIPATION NOTES	TOTAL NON MAJOR FUNDS		
Revenues				
Revenues provided by the General Fund of the Commonwealth	\$0	\$0	\$277,439,911	\$122,929,586
Taxes	0	0	1,771,157,683	1,724,947,963
Rights and privileges	0	5,472,846	239,869,618	232,727,333
Sale of property and commodities	0	0	3,369,923	4,049,830
Interest, dividends and rents	1,145,470	5,437,799	39,312,595	21,941,320
Fines, forfeitures, court fees, penalties, and escheats	0	0	8,090,935	7,008,469
Federal grants and contracts	0	0	462,360,126	629,247,311
Receipts from cities, counties, and towns	0	51,298,867	77,330,458	34,570,461
Toll revenue	0	58,638,253	58,638,253	56,923,731
Other revenue	0	3,587,470	38,063,686	23,376,694
Total revenue	1,145,470	124,435,235	2,975,633,188	2,857,722,698
Expenditures				
Current:				
Administrative and support services	0	0	227,645,706	102,116,209
Ground transportation system planning and research	0	0	20,279,899	17,717,216
Highway system acquisition and construction	0	0	977,912,309	1,198,235,477
Highway system acquisition and construction-Bond Proceeds	49,202	63,859,286	112,898,403	0
Highway system maintenance	0	0	1,067,930,883	876,291,792
Ground transportation system safety	0	0	12,551,818	6,688,372
Financial assistance to localities	0	0	280,419,674	265,109,415
Environmental monitoring and compliance	0	0	11,543,999	0
Land management	0	0	748,252	751,549
Toll facilities operations and construction	0	30,531,604	45,865,010	36,357,270
Capital Outlay	0	27,381	18,582,383	20,132,773
Transfers to other state agencies (Note 9)	0	0	23,862,562	18,060,491
Total expenditures	49,202	94,418,271	2,800,240,898	2,541,460,564
Revenues over (under) expenditures	1,096,268	30,016,964	175,392,290	316,262,134
Other financing sources (uses)				
Other financing sources (uses)	(7,208)	84,451	(753,216)	1,470,993
Bond Proceeds	0	93,900	331,435	3,493,954
Transfers to other state agencies and General Fund (Note 9)	(21,785,222)	(11,107,142)	(69,998,662)	(130,129,053)
Transfers from other state agencies and General Fund (Note 9)	0	21,679,143	68,248,363	64,391,623
Transfers in (Note 9)	0	16,374,914	491,376,317	360,462,325
Transfers out (Note 9)	(1,593,460)	(53,306,872)	(704,368,219)	(559,793,232)
Total other financing sources (uses)	(23,385,890)	(26,181,606)	(215,163,982)	(260,103,390)
Net Change in Fund Balance	(22,289,622)	3,835,358	(39,771,692)	56,158,744
Beginning fund balance - July 1 as restated (Note 5)	51,821,843	114,309,715	1,249,988,511	1,193,829,767
Ending fund balance - June 30	\$29,532,221	\$118,145,073	\$1,210,216,819	\$1,249,988,511

The accompanying notes are an integral part of this financial statement

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VIRGINIA DEPARTMENT OF TRANSPORTATION
COMBINING STATEMENT OF REVENUE AND EXPENDITURES
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	ROUTE 58	ROUTE 28	NORTHERN VA. TRANSP. DISTRICT	FEDERAL REIMBURSEMENT ANTICIPATION NOTES	COLEMAN BRIDGE	OMER L. HIRST - ADELARD L. BRAULT EXPRESSWAY	POWHITE PARKWAY EXTENSION	TRANSPORTATION SET ASIDE	TOTALS
Revenues									
Interest	\$21,060	\$1	\$11,664	\$690,623	\$23,196	\$99,200	\$61,155	\$569	907,470
Receipts from Cities, Counties, and Towns	0	7,530,970	0	0	0	0	0	0	7,530,970
Total revenues	21,060	7,530,971	11,664	690,623	23,196	99,200	61,155	569	8,438,440
Expenditures									
Debt service:									
Interest	24,258,570	3,276,145	14,362,101	36,829,018	1,931,267	4,434,436	1,829,100	1,381,120	88,301,757
Retirement of bonds	20,535,000	4,255,000	11,380,000	81,935,000	1,520,000	6,921,278	4,370,000	950,000	131,866,278
Administrative fees	3,266	0	2,143	216,376	0	0	0	0	221,787
Total expenditures	44,796,836	7,531,145	25,744,244	118,980,394	3,451,267	11,355,714	6,199,100	2,331,120	220,389,822
Revenue over (under) expenditures	(44,775,776)	(174)	(25,732,580)	(118,289,771)	(3,428,071)	(11,256,514)	(6,137,945)	(2,330,551)	(211,951,382)
Other financing sources (uses)									
Bond proceeds	253,276,051	0	94,220,759	0	0	0	0	0	347,496,810
Escrow agent defeasance payment	(252,986,975)	0	(94,118,208)	0	0	0	0	0	(347,105,183)
Transfers in (Note 9)	44,499,149	0	25,637,087	119,938,547	3,433,071	11,229,426	5,923,663	2,330,959	212,991,902
Transfers out (Note 9)	0	0	0	0	0	0	0	0	0
Total other sources (uses)	44,788,225	0	25,739,638	119,938,547	3,433,071	11,229,426	5,923,663	2,330,959	213,383,529
Revenues and other sources over (under) expenditures and other uses	12,449	(174)	7,058	1,648,776	5,000	(27,088)	(214,282)	408	1,432,147
Fund balance - July 1	2,365	175	1,130	71,714,882	287,606	967,416	1,114,358	79	74,088,011
Fund balance - June 30	\$14,814	\$1	\$8,188	\$73,363,658	\$292,606	\$940,328	\$900,076	\$487	\$75,520,158

The accompanying notes are an integral part of this financial statement

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**VIRGINIA DEPARTMENT OF TRANSPORTATION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
June 30, 2005**

	SPECIAL REVENUE	DEBT SERVICE	Totals June 30, 2005
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$277,439,911	\$0	\$277,439,911
Taxes	1,771,157,683	0	1,771,157,683
Rights and privileges	239,869,618	0	239,869,618
Sales of property and commodities	3,369,923	0	3,369,923
Interest, dividends, and rents	39,312,595	907,470	40,220,065
Fines, forfeitures, court fees, penalties, and escheats	8,090,935	0	8,090,935
Federal grants and contracts	462,360,126	0	462,360,126
Receipts from cities, counties, and towns	77,330,458	7,530,970	84,861,428
Toll revenue	58,638,253	0	58,638,253
Other revenue	38,063,686	0	38,063,686
Total revenues	2,975,633,188	8,438,440	2,984,071,628
Expenditures			
Administrative and support services	227,645,706	221,787	227,867,493
Ground transportation system planning and research	20,279,899	0	20,279,899
Highway system acquisition and construction	977,912,309	0	977,912,309
Highway system acquisition and const. Bond Proceeds	112,898,403	0	112,898,403
Highway system maintenance	1,067,930,883	0	1,067,930,883
Ground transportation system safety	12,551,818	0	12,551,818
Financial assistance to localities	280,419,674	0	280,419,674
Environmental monitoring and compliance	11,543,999	0	11,543,999
Land management	748,252	0	748,252
Toll facility operations and construction	45,865,010	0	45,865,010
Capital outlay	18,582,383	0	18,582,383
Debt service:			
Interest	0	88,301,757	88,301,757
Retirement of bonds	0	131,866,278	131,866,278
Transfers to other state agencies	23,862,562	0	23,862,562
Total expenditures	2,800,240,898	220,389,822	3,020,630,720
Revenues over (under) expenditures	175,392,290	(211,951,382)	(36,559,092)
Other financing sources (uses)			
Other financing sources (uses)	(753,216)	0	(753,216)
Bond proceeds	331,435	347,496,810	347,828,245
Defeasance payment	0	(347,105,183)	(347,105,183)
Transfers to other state agencies and General fund (Note 9)	(69,998,662)	0	(69,998,662)
Transfers from other state agencies and General fund (Note 9)	68,248,363	0	68,248,363
Transfers in (Note 9)	491,376,317	212,991,902	704,368,219
Transfers out (Note 9)	(704,368,219)	0	(704,368,219)
Total other financing sources (uses)	(215,163,982)	213,383,529	(1,780,453)
Revenues and other sources over (under) expenditures and other uses	(39,771,692)	1,432,147	(38,339,545)
Fund balance - July 1 as restated (Note 5)	1,249,988,511	74,088,011	1,324,076,522
Fund balance - June 30	\$1,210,216,819	\$75,520,158	\$1,285,736,977

The accompanying notes are an integral part of this financial statement

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**Reconciliation of the Change in Fund Balances of Governmental Funds
to the Statement of Activities
June 30, 2005**

Net Change in fund balances - total governmental funds (\$38,339,545)

Amounts reported for governmental activities are different because:

Accrued interest 437,017

Capital Outlays are reported as expenditures in the governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their useful lives as depreciation expense. In the current period these amounts are :

Increase in capital assets over capital outlay 20,028,227

Urban assets not capitalized (\$305,669,301)

Capital Outlay	\$18,582,383	
Depreciation expense	(6,046,459)	
Excess of capital outlay over depreciation expense		12,535,924

Increase in Infrastructure	1,304,524,403	
Depreciation expense	(374,000,918)	
Excess of increase in infrastructure over depreciation expense		930,523,485

Some capital additions were financed through capital leases. In governmental funds a capital lease obligation is considered a source of financing, but in the Statement of Net Assets, the lease obligation is reported as a liability .

Decrease in capital leases 280,570

Bond proceeds provide current financial resources to governmental funds by issuing debt, which increases long term bonded debt in the Statement of Activities. Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term bonded debt in the Statement of Net Assets.

Bond proceeds		(321,660,000)
Defeasance of bonds		313,850,000
Retirement of bonds		131,866,278
Accretion of debt		(867,380)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of :

Decrease in compensated absences		(5,900,064)
Amortize bond premium		(15,306,149)
Amortize bond discounts		(1,711,216)
Amortize cost of issuance		(170,330)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		7,229,492
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Change in net assets of governmental activities		\$727,127,008
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Major Enterprise Fund

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**Virginia Department of Transportation
Pocahontas Parkway Association- Enterprise Fund
Statement of Net Assets
June 30, 2005**

Assets

Current assets:		
Interest receivable	\$776,929	
Prepaid expenses	16,974	
Current restricted assets:		
Cash and cash equivalents (Note 12)	7,118,393	
		\$7,912,296
Non-current assets:		
Non-current restricted assets:		
Investments (Note 12)	35,305,446	
Depreciable capital assets (Note 10)	284,892,984	
Non depreciable capital assets (Note 10)	14,434,537	
Bond issuance costs	5,119,889	
		339,752,856
Total Assets		\$347,665,152

Liabilities

Current liabilities:		
Accounts payable	\$108,440	
Accrued interest payable	3,420,469	
Current portion of bonds payable	5,300,000	
		8,828,909
Non-current liabilities:		
Payable to Virginia Dept. of Transportation	21,073,990	
Bonds payable (Note 6)	458,057,135	
		479,131,125
Total Liabilities		487,960,034
Net Assets		(\$140,294,882)

The accompanying notes are an integral part of this financial statement

**Virginia Department of Transportation
Pocahontas Parkway Association- Enterprise Fund
Statement of Revenues, Expenses, and Changes in
Fund Net Assets
For the Fiscal Year Ended June 30, 2005**

	Year Ended June 30, 2005
Revenues	
Tolls	\$10,343,817
Gain on debt refinancing	1,344,776
Interest	2,079,533
Total revenues	<u>13,768,126</u>
Expenses	
Interest	25,599,978
Amortization	10,857,814
Operating and maintenance	2,339,129
Total expenses	<u>38,796,921</u>
Other financing sources and (uses)	
Other financing sources and (uses)	<u>(204,432)</u>
Change in Net Assets	(25,233,227)
Net Assets at July 1, 2004 (deficit)	(115,061,655)
Net Assets at June 30, 2005 (deficit)	<u><u>(\$140,294,882)</u></u>

The accompanying notes are an integral part of this financial statement

Virginia Department of Transportation
Pocahontas Parkway Association- Enterprise Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2005

	<u>Year Ended June 30, 2005</u>
<i>Cash flows from operating activities</i>	
Cash received from toll collections	\$10,347,084
Cash received from investments	2,073,969
Cash payments for interest	(9,121,250)
Cash payments for operating expenses	(1,023,095)
Cash payment to Capital Cost Saving Account	<u>(204,432)</u>
Net cash provided by operating activities	2,072,276
<i>Cash flows from capital activities</i>	
Payments for capital expenditures	<u>-</u>
Net cash used in capital activities	-
Net increase in cash and cash equivalents	2,072,276
Cash and cash equivalents, July 1, 2004	<u>5,046,117</u>
Cash and cash equivalents, June 30, 2005	<u><u>\$7,118,393</u></u>

Virginia Department of Transportation
Pocahontas Parkway Association
Proprietary Fund - Enterprise Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2005

	<u>Year Ended June 30, 2005</u>
Change in accumulated deficit	(\$25,233,227)
Adjustments to reconcile change in accumulated deficit to net cash provided by operating activities:	
Amortization and other	10,935,227
Accretion of bond principal	15,393,805
Gain on debt refinancing	(1,344,776)
Changes in assets and liabilities:	
(Increase) in interest receivable	(5,605)
Decrease in prepaid expenses	1,885
(Decrease) in payables	(957,026)
Increase in bonds payable	1,859,112
Increase in other long-term liabilities	1,422,881
Total adjustments	<u>27,305,503</u>
Net cash provided by operating activities	<u><u>\$2,072,276</u></u>

Agency Fund

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**VIRGINIA DEPARTMENT OF TRANSPORTATION
STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2005**

		Agency Fund	
		June 30, 2005	June 30, 2004
<u>ASSETS</u>			
Cash & investments held with the Treasurer of Virginia		\$79,994	\$447,972
Total assets		<u>\$79,994</u>	<u>\$447,972</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Deposits payable		\$79,994	\$447,972
Total liabilities		<u>\$79,994</u>	<u>\$447,972</u>
<u>NET ASSETS</u>			
Unreserved		\$0	\$0
Total net assets		<u>\$0</u>	<u>\$0</u>

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FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS



JUNE 30, 2005

VIRGINIA DEPARTMENT OF TRANSPORTATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain significant accounting policies employed by the Virginia Department of Transportation (VDOT or Department).

A. Basis of Presentation

The accompanying financial statements have been prepared in conformance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).

B. Reporting Entity

The Department provides a surface transportation system for the safe and efficient movement of people and goods throughout the Commonwealth of Virginia (the Commonwealth.)

A separate report is prepared for the Commonwealth of Virginia, which includes all agencies, boards, commissions, and authorities over which the Commonwealth exercises or has the ability to exercise oversight authority. The Department is an agency of the Commonwealth of Virginia and is included in the general purpose financial statements of the Commonwealth, specifically the Comprehensive Annual Financial Report issued by the State's Comptroller.

For financial reporting purposes, the Department's reporting entity consists of all funds under VDOT control and a component unit organization for which VDOT is financially accountable (blended component unit).

Blended Component Unit – Though a legally separate entity, a component unit is in substance, part of the primary government's operations. The blended component unit serves or benefits the primary government almost exclusively. Financial information from this unit is combined with that of the primary government. VDOT's blended component unit is:
Pocahontas Parkway Association (the Association)

The Association is a private, nonstock, nonprofit corporation, without member, organized under provisions of Chapter 10 of Title 13.1 of the *Code of Virginia* (1950), as amended. The Association was formed in August 1997, to assist FD/MK Limited Liability Company (FD/MK) in financing the Route 895 Connector Toll Road Project (the Project.)

FD/MK was approved to develop and construct the Project in accordance with guidelines developed by the Department for implementation of the Public-Private Transportation Act (the PPTA). The Route 895 Connector, officially designated the Pocahontas Parkway, is an approximately nine-mile, four-lane limited access tollway extending from the current eastern terminus of Chippenham Parkway (Virginia State Route 150) at Interstate 95 to a connection with Interstate 295, southeast of Richmond International Airport.

As permitted by the PPTA, the Department and FD/MK entered into a Comprehensive Agreement to Develop and Operate Route 895 Connector (the Comprehensive Agreement), in which, among other things, the general structure, financing, operation and implementation of the Project are established. Under the related Project Financing, Assignment and Assumption Agreement (the Project Financing Agreement,) the Association accepted the assignment of FD/MK's rights and duties under the Comprehensive Agreement, other than those relating to the design and construction of the Project. The Department accepted the assignment of the operating and maintenance responsibilities on completion of the toll road.

As a result of these agreements, the Association has the exclusive right to collect tolls for the use of the Project and must cause the Project to be managed, operated and maintained as required in the Comprehensive Agreement. Provided sufficient funds are available, the Association must also market, promote and advertise the Project, perform certain financial, budgeting, advertising and reporting responsibilities, and any responsibilities that the Department may direct it to perform under the terms of specific agreements. The Association has no employees and has relied on the Department to provide operating, administration, and accounting services on its behalf.

Pursuant to the provision of the SIB Loan Agreement and the Comprehensive Agreement, the Commonwealth Transportation Board (the CTB) and the Department have agreed to provide certain financial assistance to the Project, and, in the case of the Department to operate and maintain the Project following its completion. Subject to appropriation and availability of funds, the Department has agreed to pay current expenses subject to reimbursement, and costs of extraordinary maintenance and repair of the Project to the extent such costs exceed funds available under the Master Indenture of Trust between the Association and the Trustee (the Indenture.)

VDOT appoints three of seven Association Board members. Ernst & Young LLP audited the Association and a separate report is available from Pocahontas Parkway Association, P. O. Box 35033, Richmond, Virginia 23235.

C. Government-wide and fund financial statements

The government-wide financial statements, the Statement of Net Assets and the Statement of Activities, report information on all nonfiduciary activities of VDOT and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, VDOT is reported separately from the legally separate component unit for which the agency is financially accountable.

The Statement of Activities demonstrates the degree to which direct expenses of a specific function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use, or directly benefit from goods or services provided by a given function, segment, or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items properly excluded from program revenues are reported instead as general revenues.

Net assets are restricted when constraints are placed on them that are imposed by external parties, Constitutional provisions, or enabling legislation. Designations solely imposed by the Commonwealth's management are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, the VDOT policy is to use the restricted resources first.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and major component units. However, fiduciary funds are not included in the government-wide statements. Major governmental funds, enterprise funds, and component units are reported as separate columns in the financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government –wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Department considers revenues to be available if

they are collected within 60 days of the end of the current fiscal year. Significant revenues subject to accrual include federal grants and sales taxes. Revenues that VDOT earns by incurring obligations are recognized in the same period as when the obligations are recognized. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to debt service, compensated absences, and claims and judgments are recorded only when the payment is due.

The Department Reports the following major Governmental funds:

Special Revenue Funds – Account for transactions related to resources received and used for restricted or specific purposes. These include highway maintenance and construction and other transportation purposes.

Debt Service Funds - Account for the accumulation of resources used to pay the principal and interest on long-term obligations.

Proprietary Funds, Fiduciary Funds, and Component Unit Financial Statements

The financial statements of the proprietary funds, fiduciary funds, and component units are reported using the economic resources measurement focus and the accrual basis of accounting. As with the government-wide statements, revenues are recorded when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating.

GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, provides governments two options for reporting their proprietary fund activities (including component units accounted for using proprietary fund accounting).

- **Option 1:** Apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued **on or before** November 30, 1989, unless those conflict with or contradict GASB pronouncements.
- **Option 2:** Apply all of the above pronouncements and all FASB Statements and Interpretations issued **after** November 30, 1989 except for those that conflict with or contradict GASB pronouncements. *GASBS No. 29, The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities*, limits the application of FASB Statements and Interpretations issued after November 30, 1989 to those that are developed primarily for business enterprises.

The proprietary fund reported herein, the Pocahontas Parkway Route 895 Connector applies Option 2. Additionally, VDOT reports the following fund types:

Governmental Funds:

- Special Revenue Funds - account for the ordinary operations of VDOT that are supported by revenues from specific revenue sources. Included in these funds are Federal grants/contracts and toll facilities.
- Debt Service Funds - account for the accumulation of resources used to pay the principal and interest on long-term obligations recorded in the Government Wide Statements.

Fiduciary Funds:

- Agency Fund - accounts for the assets held by the Department in a trustee capacity or as a fiscal agent on behalf of others, is custodial in nature and does not involve measurement of results of operations.

Proprietary Funds:

- Enterprise Fund – accounts for the activities of the blended component unit for Route 895 (Pocahontas Parkway), which is operated by the Association.

E. Budgetary Process

Budgetary amounts shown in the Required Supplementary Information and Supplementary Information Sections represent the total of the original budgeted amounts and all supplemental appropriations. The VDOT budget is prepared principally on a cash basis and represents appropriations as authorized by the General Assembly. Unexpended appropriations at the end of the fiscal year generally lapse. However, they may be re-appropriated for expenditure in the following fiscal year. The Governor, as required by the *Code of Virginia*, submits a budget composed of all proposed expenditures for the State, and of estimated revenues and borrowing for a biennium, to the General Assembly.

The budget is prepared on a biennial basis; however, the budgets of the General and Special Revenue Funds contain separate appropriations for each year within the biennial budget, as approved by the General Assembly and signed into law by the Governor. For management control purposes, the budget is controlled at the program level. The Governor may transfer an appropriation within a State agency or from one State agency to another, provided that total fund appropriations, as contained within the budget, are not exceeded. Increases in General Fund appropriations must be approved by the General Assembly.

Appropriations for programs funded from Special Revenue Funds may allow expenditures in excess of the original appropriations to the extent that revenues of the

funds exceed original budget estimates and such additional expenditures are approved by the Governor through supplemental appropriations.

F. Investments

Governmental funds, both VDOT and component unit, report investments in money market funds at amortized cost. All other investments are reported at fair market value.

G. Inventory

The Department records inventory in the Special Revenue Funds. Inventories are valued at weighted average cost and are recorded as expenditure at the time individual items are used (consumption method). Inventory in the Special Revenue Funds consist mainly of road materials, sign stock, fuels, materials and supplies and work-in-process. Reported inventories are equally offset by a fund balance reserve, which indicates they do not constitute available spendable resources although they are a component of net assets.

H. Property, Plant, and Equipment

Capital assets are valued at historical cost or estimated historical cost. Donated fixed assets are carried at estimated market value at the date of contribution. The agency elected to use the historical approach in determining infrastructure value.

Capital assets are depreciated on a straight-line basis over the estimated useful life:

Asset Class	Estimated Useful Lives
Buildings and improvements	30 years
Equipment	From 2 to 25 years
Infrastructure, excluding bridges and tunnels	30 years
Bridges and tunnels	50 years

I. Deferred Revenue

Deferred revenue represents monies received or revenues accrued but not earned as of June 30, 2005. This amount is reported in the Special Revenue Funds and is composed of receipts from cities, counties and towns for advanced funding of construction project participation and federal receivables that are expected to be collected after August 31, 2005.

J. Compensated Absences

Compensated absences are recorded as current and long-term debt in the Government – Wide statements. This represents the amounts of vacation, sick, compensatory leave and disability credits earned by employees of the Department, but not taken at June 30, 2005. The amount reflects all earned vacation, sick and compensatory leave payable under the Commonwealth of Virginia's leave payout policy upon employment termination. An additional liability amount has been included for those employees with less than five years of service based on the probability they will eventually become vested. Also included in the liability is the Department's share of the FICA taxes on leave balances for which employees will be compensated. Compensated absences are recorded as current and long-term debt in the Government-wide statements.

K. Total Columns

Total columns on the combined financial statements are captioned "Total Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. TOLL FACILITIES

The Department operates three major toll facilities. Its responsibilities, as established by the respective trust indentures, are to construct, improve, operate and maintain the Omer L. Hirst - Adelard L. Brault Expressway (formerly Dulles Toll Road) in Fairfax County, the Powhite Parkway Extension Toll Road located in Chesterfield County, and the George P. Coleman Bridge across the York River connecting Gloucester and York Counties. The tolls and other revenues arising from the operation of these facilities are used to operate and maintain them and satisfy bond interest and principal payment requirements, respectively. The activities for construction, maintenance and operation, maintenance repair and improvement of these toll facilities are accounted for in the Special Revenue Funds. The principal and interest payments for the related debt issues are accounted for in the Debt Service Funds.

A fourth toll facility, the Pocahontas Parkway (Route 895 Connector) is located in Chesterfield and Henrico Counties. Activities for this toll facility are accounted for in the Enterprise Fund as a business-type activity.

3. COMMITMENTS

Operating Leases

VDOT is committed under various operating leases for land, floor space and equipment. In general, the leases are for 3-4 years with renewal options for another 3-4 year term. In most cases, VDOT expects these leases to be replaced by similar leases. Rental expense for the fiscal year ending June 30, 2005 was \$5,601,154. VDOT has, as of June 30, 2005, the following future minimum rental payments due under the above leases:

2006	\$3,317,794
2007	1,240,452
2008	1,027,104
2009	856,938
2010	694,710
SUBSEQUENT TO 2010	887,338
	<u>\$8,024,336</u>

Right of Way Obligations

The Department exercises its right of eminent domain to acquire property necessary to construct and improve highway systems. At the time of condemnation, the Department prepares a right of way certificate for payment to the applicable owner based on its assessment at fair market value. Owners involved in condemnation procedures may contest the Department's assessment of fair market value. Contested assessments result in a right of way certificate being released into the custody of the applicable court.

The Department has estimated that the right of way obligations as of June 30, 2005, were \$2,623,095. This amount is not recorded in the accompanying financial statements because the Department is unable to determine the extent to which the total amounts ultimately awarded to the landowners may exceed the amount of right of way certificates payable. Additionally, title does not pass to the Department until acceptance of the certificate by the landowner and likewise the Department may revoke their certificates prior to this passage.

Contractual Commitments

At June 30, 2005, the Department of Transportation had the following contractual commitments for various construction projects, maintenance contracts, and consultant services:

Construction Projects	\$770,159,509
Maintenance Contracts	297,603,728
Consultant Services	637,574,056
	<u>\$1,705,337,293</u>

Services on these contractual commitments have not been rendered; therefore, a liability has not been recognized in the financial statements.

4. DEFICIT FUND BALANCES AND RETAINED EARNINGS

Powhite Parkway Extension Fund:

The Powhite Parkway Extension Fund had a deficit fund balance of \$43,368,817 at June 30, 2005. This deficit is attributable to higher construction costs and revenue shortfalls caused by a lower traffic volume than projected.

The Department has incurred interfund obligations to meet both bond debt service payments and construction costs. At June 30, 2005, the Powhite Parkway Extension had the following interfund obligations:

Due to Toll Facility	
Revolving Fund	\$ 31,249,233
Due to Construction Fund	<u>15,071,100</u>
Total Interfund Obligations	<u>\$ 46,320,333</u>

In addition to its interfund obligations, the Powhite Parkway Extension has bonds payable for \$31,775,000 and a note payable to Chesterfield County for \$8,000,000 at June 30, 2005, respectively. These obligations and the interfund liabilities listed above are to be paid from toll revenues.

Coleman Bridge Fund:

The Coleman Bridge Fund had a deficit fund balance of \$38,401,353 at June 30, 2005. The original financing plan included an interfund loan from the Toll Facilities Revolving Fund for construction. Additionally, operating expenses and debt service requirements have exceeded revenues.

The Department has incurred the following interfund obligations for construction costs and operating expenses at June 30, 2005:

Due to Toll Facility	
Revolving Fund	\$ 40,211,000
Due to Construction Fund	<u>110,000</u>
Total Interfund Obligations	<u>\$ 40,321,000</u>

In addition to its interfund obligations, the Coleman Bridge Fund has bonds payable for \$37,290,000. This obligation and the interfund liabilities listed above are to be paid from toll revenues.

Enterprise Fund:

The Pocahontas Parkway Association Enterprise Fund had a deficit retained earnings balance of \$140,294,882 at June 30, 2005. This deficit is attributable to revenue shortfalls caused by a lower traffic volume than projected.

5. RESTATEMENT OF BEGINNING BALANCES

Government Wide - Governmental Activities

The Government-wide beginning balance restatement resulted from correction of prior year capital asset balances. The decrease of \$52.8 million is mostly the result of an adjustment to capitalization of previously donated subdivision secondary roads. The following schedule shows the adjustments to the net assets as of June 30, 2004.

Government wide net assets June 30, 2004	\$11,283,277,694
Correction of prior year capital asset balances	(52,784,742)
Fund Balance, June 30, 2004 as adjusted	<u>\$11,230,492,952</u>

Governmental Funds

The beginning fund balance for the Toll Facilities Revolving Fund and Coleman Bridge Fund have been restated to record an intra fund receivable of \$38,211,000 due from Coleman Bridge to Toll Facilities Revolving. This transaction was recorded in prior years as an intra fund transfer.

6. LONG-TERM LIABILITIES

The following schedules present the long-term liabilities of the Virginia Department of Transportation and its Component Unit as reported in the Government-Wide Statement of Net Assets.

Long-Term Liabilities Activity

Governmental activities:	June 30, 2004	Increases	Decreases	June 30, 2005
Bonds Payable	\$1,983,715,299	\$324,555,642	(\$447,744,540)	\$1,860,526,401
Capital Leases	459,498	0	(280,570)	178,928
Notes Payable	12,325,000	0	0	12,325,000
Compensated Absences	53,963,759	33,767,814	(27,967,330)	59,764,243
Totals	<u>\$2,050,463,556</u>	<u>\$358,323,456</u>	<u>(\$475,992,440)</u>	<u>\$1,932,794,572</u>
Pocahontas Parkway Association	June 30, 2004	Increases	Decreases	June 30, 2005
Bonds Payable	\$447,371,582	\$15,989,233	\$3,680	\$463,357,135
Totals	<u>\$447,371,582</u>	<u>\$15,989,233</u>	<u>\$3,680</u>	<u>\$463,357,135</u>

Commonwealth bonds are issued pursuant to Section 9 of Article X of the Constitution of Virginia. Section 9(b) bonds have been issued to redeem previous debt obligations to finance capital projects. These bonds are retired through the use of State appropriations. Section 9(c) bonds are issued to finance capital projects which when completed will generate revenue to repay the debt. Section 9(b) and 9(c) bonds are tax-supported general obligation bonds and are backed by the full faith, credit, and taxing power of the Commonwealth.

Section 9(d) bonds are revenue bonds and are not backed by the full faith, credit, and taxing power of the Commonwealth. These bonds are not general obligation bonds and are not deemed to constitute a legal liability of the Commonwealth. The 9(d) Transportation Bonds (Primary Government) are payable solely from revenues or earnings, and other available sources of funds appropriated by the General Assembly.

The Pocahontas Parkway Association Bonds (a blended Component Unit) are special limited obligations of the Association, secured by a gross revenue pledge and payable solely from revenues prior to payment of current expenses and from monies held in certain funds and accounts held in trust.

Primary Government

Transportation Facilities Debt

Transportation Facilities Bonds include \$31,775,000 of 9(b) general obligation bonds, \$90,535,560 of 9(c) general obligation bonds and \$1,738,215,841 of 9(d) revenue bonds. Principal and interest requirements for the current year totaled \$220,168,037.

The Section 9(b) transportation facilities bonds represent Powhite Parkway Extension Refunding Bonds, Series 2003A which were issued to partially refund Series 1993(A) 9(b) Transportation Facilities Bonds. The Section 9(c) Transportation Facilities Bonds were issued to fund the construction, improvement and operation of the Omer L Hirst – Adelard L. Brault Expressway and the George P. Coleman Bridge. The Section 9(d) Transportation Facilities Bonds were issued to fund construction of State Route 28, U.S. Route 58, the Northern Virginia Transportation District Program and the Oak Grove Connector (City of Chesapeake).

The Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes, Series 2000 and 2002, 9(d) were issued to finance various capital transportation projects throughout the Commonwealth pursuant to the Virginia Transportation Act of 2000. Repayment of the Series 2000 and 2002 Notes will be from appropriations of future cost reimbursements and payments received from the Federal Highway Administration for Federal-aid projects.

The US Route 58 Corridor Development Program \$232,260,000, Commonwealth of Virginia Transportation Revenue and Refunding Bonds, Series 2004(B), 9(d) were issued in book-entry form on November 10, 2004, maturing in annual installments on May 15 in the years 2005 to 2022. Interest is payable on each May 15 and November 15 at rates varying from 4.75% to 5.25%. The proceeds of these bonds were used to defease \$75,645,000 of Transportation Revenue Bonds, Series 1996(B), \$121,465,000 of Transportation Revenue Bonds, Series 1999(B) and \$30,880,000 of Transportation Revenue Bonds, Series 2001(B).

The Northern Virginia Transportation District Program \$89,400,000 Commonwealth of Virginia Transportation Revenue and Refunding Bonds, Series 2004(A), 9(d) were issued in book-entry form on November 10, 2004, maturing in annual installments on May 15 in the years 2005 to 2022. Interest is payable semi-annually on May 15 and November 15 at rates varying from 4.00% to 5.00%. A portion of the proceeds of these bonds were used to defease \$48,375,000 of Transportation Revenue Bonds, Series 1996(A), \$19,755,000 of Transportation Revenue Bonds, Series 1999(A) and \$17,730,000 of Transportation Revenue Bonds, Series 2001(A).

The following schedule details the annual funding requirements necessary to amortize the Department's combined bonds issues:

Debt Service Requirements to Maturity			
Maturity	Principal	Interest	Total
2006	\$142,135,117	\$87,551,861	\$229,686,978
2007	148,098,630	80,898,694	228,997,324
2008	154,834,756	73,758,355	228,593,111
2009	156,209,000	66,163,424	222,372,424
2010	164,275,000	58,344,423	222,619,423
2011-2015	558,720,000	188,557,953	747,277,953
2016-2020	354,155,000	86,247,183	440,402,183
2021-2025	181,580,000	22,656,144	204,236,144
2026-2030	57,445,000	1,002,000	58,447,000
2031-2032	16,210,000	0	16,210,000
Subtotal	1,933,662,503	665,180,037	2,598,842,540
Less			
Unaccreted			
Capital			
Appreciation			
Bonds	(73,136,102)	0	(73,136,102)
Total	\$1,860,526,401	\$665,180,037	\$2,525,706,438

Detail of Bonds Payable		Outstanding	Issued (Retired)	Outstanding	
Series	Amount Issued	June 30, 2004	During Year	June 30, 2005	Maturity
Section 9(b) Debt General					
Obligation Bonds					
Powhite Parkway Extension					
Series 2003(A) Refunding	\$40,370,000	\$36,145,000	(\$4,370,000)	\$31,775,000	06/01/06-11
Section 9(c) Debt General					
Obligation Bonds					
Hirst Brault Expressway (Dulles Toll Road)					
Series 1989(A) Capital	34,348,000	12,994,509	(2,270,452)	10,724,057	06/01/06-09
Appreciating					
Series 1996	45,235,000	8,665,000	(2,000,000)	6,665,000	06/01/06-08
Series 2002 Refunding	24,615,000	24,615,000	-	24,615,000	06/01/06-16
Series 2003(A) Refunding	18,764,506	15,057,043	(3,815,540)	11,241,503	06/01/06-08
Coleman Bridge					
Series 1996	34,750,000	33,235,000	(210,000)	33,025,000	06/01/06-21
Series 1998 Refunding	3,135,000	2,965,000	(30,000)	2,935,000	06/01/06-08
Series 2002 Refunding	3,775,000	2,610,000	(1,280,000)	1,330,000	06/01/06-06
Section 9(d) Debt-					
Transportation Revenue Bonds					
Route 28 Corridor					
Series 2002 Refunding	83,820,000	76,630,000	(4,255,000)	72,375,000	04/01/06-18
Series 2002A Capital	36,823,667	40,103,747	2,032,094	42,135,841	04/01/06-32
Appreciating					
U.S. Route 58 Corridor Development					
Series 1996(B)	114,285,000	90,505,000	(79,020,000)	11,485,000	05/15/06-08
Series 1997(C)	96,060,000	89,790,000	(330,000)	89,460,000	05/15/06-19
Series 1999(B)	204,945,000	177,435,000	(126,605,000)	50,830,000	05/15/06-24
Series 2001(B)	102,165,000	94,065,000	(33,295,000)	60,770,000	05/15/06-26
Series 2002(B)	70,670,000	70,470,000	(2,430,000)	68,040,000	05/15/06-18
Series 2003(A)	66,255,000	64,070,000	(6,845,000)	57,225,000	05/15/06-12
Series 2004(B)	232,260,000	-	232,260,000	232,260,000	05/15/06-22
Northern Virginia Transportation District Program					
Series 1996(A)	70,890,000	57,880,000	(50,535,000)	7,345,000	05/15/06-08
Series 1997(B)	41,540,000	40,305,000	(210,000)	40,095,000	05/15/06-20
Series 1999(A)	33,320,000	28,850,000	(20,590,000)	8,260,000	05/15/06-24
Series 2001(A)	58,650,000	54,000,000	(19,115,000)	34,885,000	05/15/06-26
Series 2002(A)	153,035,000	149,860,000	(6,790,000)	143,070,000	05/15/06-27
Series 2004(A)	89,400,000	-	89,400,000	89,400,000	05/15/06-22
Oak Grove Connector					
(Chesapeake)					
Series 1997(A)	33,075,000	26,820,000	(950,000)	25,870,000	05/15/06-22
Section 9(d) Debt- Federal					
Highway Reimbursement					
Anticipation Notes					
Series 2000	375,000,000	306,140,000	(37,145,000)	268,995,000	10/01/06-10
Series 2002	523,320,000	480,505,000	(44,790,000)	435,715,000	10/01/06-12
Total Bonds Payable		<u>\$1,983,715,299</u>	<u>(\$123,188,898)</u>	<u>\$1,860,526,401</u>	

Detail of Bonds Payable - Interest Rates**Series****Interest Rates**

Powhite Parkway Extension

Series 2003(A) Refunding 2.5%-5.0%

Hirst Brault Expressway (Dulles Toll Road)

Series 1989(A) Capital Appreciating 6.4%-6.7%

Series 1996 5.375%

Series 2002 Refunding 4.0%-5.0%

Series 2003(A) Refunding 4.0%-5.0%

Coleman Bridge

Series 1996 4.75%-5.125%

Series 1998 Refunding 3.9%-5.0%

Series 2002 Refunding 4.0%

Route 28 Corridor

Series 2002 Refunding 2.0%-5.0%

Series 2002A Capital Appreciating 4.63%-5.32%

U.S. Route 58 Corridor Development

Series 1996(B) 4.9%-6.75%

Series 1997(C) 4.1%-5.125%

Series 1999(B) 5.0%-5.75%

Series 2001(B) 4.5%-5.375%

Series 2002(B) 3.0%-5.25%

Series 2003(A) 3.0%-5.5%

Series 2004(B) 4.75%-5.25%

Northern Virginia Transportation District Program

Series 1996(A) 4.9%-6.75%

Series 1997(B) 4.1%-7.25%

Series 1999(A) 5.0%-5.75%

Series 2001(A) 4.5%-5.375%

Series 2002(A) 3.0%-5.25%

Series 2004(A) 4.0%-5.0%

Oak Grove Connector

(Chesapeake)

Series 1997(A) 5.0%-5.25%

Federal Highway Reimbursement Anticipation Notes

Series 2000 4.45%-5.75%

Series 2002 2.0%-5.0%

The following schedules detail the annual funding requirements necessary to amortize the Department's individual bonds issues:

Powwhite Parkway Extension Transportation Facilities Refunding

Bonds Series 2003A

Debt Service Requirement to Maturity			
Maturity	Principal	Interest	Total
2006	\$4,620,000	\$1,588,750	\$6,208,750
2007	4,885,000	1,357,750	6,242,750
2008	5,130,000	1,113,500	6,243,500
2009	5,415,000	857,000	6,272,000
2010	5,715,000	586,250	6,301,250
2011	6,010,000	300,500	6,310,500
Total	<u>\$31,775,000</u>	<u>\$5,803,750</u>	<u>\$37,578,750</u>

Hirst-Brault Expressway Transportation Facilities Bonds Capital

Appreciating, Series 1989A

Debt Service Requirement to Maturity

Maturity	Principal	Interest	Total
2006	\$3,134,000	\$0	\$3,134,000
2007	3,134,000	0	3,134,000
2008	3,134,000	0	3,134,000
2009	3,134,000	0	3,134,000
Total	<u>12,536,000</u>	<u>0</u>	<u>12,536,000</u>
Less:			
Unaccrued			
Capital			
Appreciation			
Bonds	(1,811,943)		(1,811,943)
Totals	<u>\$10,724,057</u>	<u>\$0</u>	<u>\$10,724,057</u>

Hirst - Brault Expressway General Obligation Bonds, Series 1996

Debt Service Requirement to Maturity			
Maturity	Principal	Interest	Total
2006	\$2,105,000	\$358,244	2,463,244
2007	2,220,000	245,100	2,465,100
2008	2,340,000	125,775	2,465,775
Total	<u>\$6,665,000</u>	<u>\$729,119</u>	<u>\$7,394,119</u>

**Hirst - Brault Expressway General Obligation Refunding Bonds,
Series 2002**

Debt Service Requirement to Maturity			
Maturity	Principal	Interest	Total
2006	\$0	\$1,168,500	\$1,168,500
2007	40,000	1,168,500	1,208,500
2008	115,000	1,166,900	1,281,900
2009	2,585,000	1,161,150	3,746,150
2010	2,685,000	1,057,750	3,742,750
2011-2015	15,590,000	3,134,500	18,724,500
2016	3,600,000	144,000	3,744,000
Total	\$24,615,000	\$9,001,300	\$33,616,300

**Hirst - Brault Expressway General Obligation Refunding Bonds,
Series 2003A**

Debt Service Requirement to Maturity			
Maturity	Principal	Interest	Total
2006	\$3,956,117	\$562,075	\$4,518,192
2007	3,759,630	364,269	4,123,899
2008	3,525,756	176,288	3,702,044
Total	\$11,241,503	\$1,102,632	\$12,344,135

Coleman Bridge General Obligation Refunding Bonds, Series 1996

Debt Service Requirement to Maturity			
Maturity	Principal	Interest	Total
2006	\$220,000	\$1,680,238	\$1,900,238
2007	230,000	1,669,787	1,899,787
2008	240,000	1,658,863	1,898,863
2009	1,820,000	1,647,463	3,467,463
2010	1,905,000	1,561,013	3,466,013
2011-2015	11,090,000	6,250,975	17,340,975
2016-2020	14,225,000	3,104,469	17,329,469
2021	3,295,000	168,869	3,463,869
Total	\$33,025,000	\$17,741,677	\$50,766,677

Coleman Bridge General Obligation Refunding Bonds, Series 1998

Debt Service Requirement to Maturity

Maturity	Principal	Interest	Total
2006	\$30,000	\$135,305	\$165,305
2007	1,415,000	134,075	1,549,075
2008	1,490,000	63,325	1,553,325
Total	\$2,935,000	\$332,705	\$3,267,705

Coleman Bridge General Obligation Refunding Bonds, Series 2002

Debt Service Requirement to Maturity

Maturity	Principal	Interest	Total
2006	\$1,330,000	\$53,200	\$1,383,200
Total	\$1,330,000	\$53,200	\$1,383,200

Route 28 Transportation Contract Revenue Refunding Current

Interest Bonds Series 2002 (CIB)

Debt Service Requirement to Maturity

Maturity	Principal	Interest	Total
2006	\$4,365,000	\$3,163,145	\$7,528,145
2007	4,490,000	3,039,845	7,529,845
2008	4,660,000	2,864,883	7,524,883
2009	4,830,000	2,700,713	7,530,713
2010	5,005,000	2,523,150	7,528,150
2011-2015	28,430,000	9,218,610	37,648,610
2016-2020	20,595,000	1,990,150	22,585,150
Total	\$72,375,000	\$25,500,496	\$97,875,496

Route 28 Transportation Contract Revenue Capital Appreciation

New Money Bonds Series 2002

Debt Service Requirement to Maturity

Maturity	Principal	Interest	Total
2006	\$0	\$0	\$0
2007	0	0	0
2008	0	0	0
2009	0	0	0
2010	0	0	0
2011-2015	0	0	0
2016-2020	16,200,000	0	16,200,000
2021-2025	40,525,000	0	40,525,000
2026-2030	40,525,000	0	40,525,000
2031-2032	16,210,000	0	16,210,000
Total	113,460,000	0	113,460,000
Less			
Unaccrued			
Capital			
Appriciation			
Bonds	(71,324,159)	0	(71,324,159)
Total	\$42,135,841	\$0	\$42,135,841

U.S. Route 58 Transportation Revenue Bonds Series 1996(B)

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2006	\$3,605,000	\$633,493	\$4,238,493
2007	3,845,000	390,155	4,235,155
2008	4,035,000	201,750	4,236,750
Total	\$11,485,000	1,225,398	\$12,710,398

U.S. Route 58 Transportation Revenue Refunding Bonds, Series 1997C

Debt Service Requirements to Maturity			
Maturity	Principal	Interest	Total
2006	\$345,000	\$4,534,778	\$4,879,778
2007	360,000	4,519,944	4,879,944
2008	375,000	4,504,194	4,879,194
2009	395,000	4,485,444	4,880,444
2010	415,000	4,465,694	4,880,694
2011-2015	34,415,000	20,447,719	54,862,719
2016-2020	53,155,000	6,980,506	60,135,506
Total	\$89,460,000	\$49,938,279	\$139,398,279

U.S. Route 58 Transportation Revenue Bonds, Series 1999B

Debt Service Requirements to Maturity			
Maturity	Principal	Interest	Total
2006	\$5,395,000	\$2,781,387	\$8,176,387
2007	5,695,000	2,484,662	8,179,662
2008	6,005,000	2,171,438	8,176,438
2009	6,305,000	1,871,188	8,176,188
2010	0	1,508,650	1,508,650
2011-2015	0	7,543,250	7,543,250
2016-2020	0	7,543,250	7,543,250
2021-2025	27,430,000	5,300,350	32,730,350
Total	\$50,830,000	\$31,204,175	\$82,034,175

U.S. Route 58 Transportation Revenue Bonds, Series 2001B

Debt Service Requirements to Maturity			
Maturity	Principal	Interest	Total
2006	\$2,535,000	\$3,053,362	\$5,588,362
2007	2,665,000	2,926,612	5,591,612
2008	2,785,000	2,806,687	5,591,687
2009	2,910,000	2,681,362	5,591,362
2010	3,055,000	2,535,863	5,590,863
2011-2015	10,160,000	10,280,294	20,440,294
2016-2020	0	9,165,000	9,165,000
2021-2025	29,780,000	6,332,000	36,112,000
2026	6,880,000	344,000	7,224,000
Total	\$60,770,000	\$40,125,180	\$100,895,180

U.S. Route 58 Transportation Revenue Refunding Bonds, Series 2002B

Debt Service Requirements to Maturity			
Maturity	Principal	Interest	Total
2006	\$3,980,000	\$3,257,688	\$7,237,688
2007	4,095,000	3,138,287	7,233,287
2008	4,220,000	3,015,438	7,235,438
2009	4,435,000	2,804,438	7,239,438
2010	4,655,000	2,582,687	7,237,687
2011-2015	27,000,000	9,181,187	36,181,187
2016-2020	19,655,000	2,049,063	21,704,063
Total	\$68,040,000	\$26,028,788	\$94,068,788

U.S. Route 58 Transportation Revenue Refunding Bonds, Series 2003A

Debt Service Requirements to Maturity			
Maturity	Principal	Interest	Total
2006	\$7,110,000	\$2,800,375	\$9,910,375
2007	7,470,000	2,444,875	9,914,875
2008	7,770,000	2,146,075	9,916,075
2009	8,080,000	1,835,275	9,915,275
2010	8,490,000	1,431,275	9,921,275
2011-2015	18,305,000	1,523,500	19,828,500
Total	\$57,225,000	\$12,181,375	\$69,406,375

U.S. Route 58 Transportation Revenue Bonds, Series 2004B

Debt Service Requirements to Maturity			
Maturity	Principal	Interest	Total
2006	\$0	\$11,563,050	\$11,563,050
2007	0	11,563,050	11,563,050
2008	0	11,563,050	11,563,050
2009	2,485,000	11,563,050	14,048,050
2010	11,655,000	11,438,800	23,093,800
2011-2015	75,690,000	47,268,175	122,958,175
2016-2020	109,780,000	24,455,000	134,235,000
2021-2025	32,650,000	2,156,025	34,806,025
Total	\$232,260,000	\$131,570,200	\$363,830,200

**Northern Virginia Transportation Program
Transportation Revenue Bonds Series 1996A**

Debt Service Requirements to Maturity			
Maturity	Principal	Interest	Total
2006	2,305,000	405,128	2,710,128
2007	2,460,000	249,540	2,709,540
2008	2,580,000	129,000	2,709,000
Total	<u>\$7,345,000</u>	<u>\$783,668</u>	<u>\$8,128,668</u>

**Northern Virginia Transportation Program
Transportation Revenue Bonds Series 1997B**

Debt Service Requirements to Maturity			
Maturity	Principal	Interest	Total
2006	\$215,000	\$2,117,857	\$2,332,857
2007	225,000	2,108,613	2,333,613
2008	235,000	2,098,769	2,333,769
2009	2,435,000	2,087,018	4,522,018
2010	2,560,000	1,965,269	4,525,269
2011-2015	14,965,000	7,767,344	22,732,344
2016-2020	19,460,000	3,556,276	23,016,276
Total	<u>\$40,095,000</u>	<u>\$21,701,146</u>	<u>\$61,796,146</u>

**Northern Virginia Transportation Program
Transportation Revenue Bonds Series 1999A**

Debt Service Requirements to Maturity			
Maturity	Principal	Interest	Total
2006	\$875,000	\$451,988	\$1,326,988
2007	925,000	403,863	1,328,863
2008	975,000	352,988	1,327,988
2009	1,025,000	304,238	1,329,238
2010	0	245,300	245,300
2011-2015	0	1,226,500	1,226,500
2016-2020	0	1,226,500	1,226,500
2021-2025	4,460,000	861,850	5,321,850
Total	<u>\$8,260,000</u>	<u>\$5,073,227</u>	<u>\$13,333,227</u>

**Northern Virginia Transportation Program
Transportation Revenue Bonds Series 2001A
Debt Service Requirements to Maturity**

Maturity	Principal	Interest	Total
2006	\$1,455,000	\$1,752,763	\$3,207,763
2007	1,530,000	1,680,013	3,210,013
2008	1,600,000	1,611,162	3,211,162
2009	1,670,000	1,539,163	3,209,163
2010	1,755,000	1,455,663	3,210,663
2011-2015	5,830,000	5,901,294	11,731,294
2016-2020	0	5,261,250	5,261,250
2021-2025	17,095,000	3,634,750	20,729,750
2026	3,950,000	197,500	4,147,500
Total	\$34,885,000	\$23,033,558	\$57,918,558

**Northern Virginia Transportation Program
Transportation Revenue Bonds Series 2002A
Debt Service Requirements to Maturity**

Maturity	Principal	Interest	Total
2006	\$7,980,000	\$6,954,419	\$14,934,419
2007	8,220,000	6,715,019	14,935,019
2008	8,565,000	6,386,219	14,951,219
2009	6,815,000	5,957,969	12,772,969
2010	7,155,000	5,617,219	12,772,219
2011-2015	41,500,000	22,349,844	63,849,844
2016-2020	43,780,000	10,572,619	54,352,619
2021-2025	12,965,000	3,408,800	16,373,800
2026-2027	6,090,000	460,500	6,550,500
Total	\$143,070,000	\$68,422,608	\$211,492,608

**Northern Virginia Transportation Program
Transportation Revenue Bonds Series 2004A
Debt Service Requirements to Maturity**

Maturity	Principal	Interest	Total
2006	\$0	\$4,102,000	\$4,102,000
2007	0	4,102,000	4,102,000
2008	0	4,102,000	4,102,000
2009	2,050,000	4,102,000	6,152,000
2010	4,295,000	3,999,500	8,294,500
2011-2015	29,325,000	16,446,500	45,771,500
2016-2020	44,660,000	7,595,100	52,255,100
2021-2025	9,070,000	451,200	9,521,200
Total	\$89,400,000	\$44,900,300	\$134,300,300

**Transportation Improvement Program Set-aside Fund
Oak Grove Connector (City of Chesapeake)
Transportation Program Revenue Bonds Series 1997A
Debt Service Requirements to Maturity**

Maturity	Principal	Interest	Total
2006	\$995,000	\$1,333,620	\$2,328,620
2007	1,045,000	1,283,870	2,328,870
2008	1,095,000	1,231,620	2,326,620
2009	1,150,000	1,176,870	2,326,870
2010	1,210,000	1,119,370	2,329,370
2011-2015	7,020,000	4,622,330	11,642,330
2016-2020	9,045,000	2,604,000	11,649,000
2021-2022	4,310,000	342,300	4,652,300
Total	\$25,870,000	\$13,713,980	\$39,583,980

**Federal Highway Reimbursement Anticipation Notes
Series 2000**

Debt Service Requirements to Maturity			
Maturity	Principal	Interest	Total
2006	\$39,130,000	\$13,540,661	\$52,670,661
2007	41,245,000	11,374,280	52,619,280
2008	43,460,000	9,069,496	52,529,496
2009	45,855,000	6,629,498	52,484,498
2010	48,340,000	4,075,385	52,415,385
2011	50,965,000	1,381,768	52,346,768
Total	\$268,995,000	\$46,071,088	\$315,066,088

**Federal Highway Reimbursement Anticipation Notes
Series 2002**

Debt Service Requirements to Maturity			
Maturity	Principal	Interest	Total
2006	\$46,450,000	\$19,559,835	\$66,009,835
2007	48,145,000	17,534,585	65,679,585
2008	50,500,000	15,198,935	65,698,935
2009	52,815,000	12,759,585	65,574,585
2010	55,380,000	10,175,585	65,555,585
2011-2013	182,425,000	13,713,663	196,138,663
Total	\$435,715,000	\$88,942,188	\$524,657,188

Pocahontas Parkway Association

Pocahontas Parkway Association Route 895 Connector Senior Current Interest Toll Road Revenue Bonds, Series 1998A, in the principal amount of \$169,700,000 were issued under the terms of a bond resolution dated July 9, 1998. These bonds mature in varying amounts on August 15 in years 2005 through 2028. Interest is payable semiannually on February 15 and August 15 at rates varying from 5.00% to 5.50%.

The Pocahontas Parkway Association Route 895 Connector Senior Capital Appreciation Toll Road Revenue Bonds, Bonds, Series 1998B were issued on July 9, 1998 in the principal amount of \$148,310,627 and the maturity value of \$690,200,000. These bonds mature in annual installments on August 15 in the years 2012 through 2025, and 2029 through 2035. The Senior Capital Appreciation Bonds were issued at a discount to yield, approximately, 5.50% to 5.95%. Principal accreted for the year ended June 30, 2005 was \$12,328,234.

The Pocahontas Parkway Association Route 895 Connector First Tier Subordinate Capital Appreciation Toll Road Revenue Bonds, Series 1998C were issued on July 9, 1998 in the principal amount of \$35,867,236 and the maturity value of \$137,300,000. These Bonds mature in annual installments on August 15 in the years 2005 through 2035. The First Tier Subordinated Capital Appreciation Bonds were issued at a discount to yield, approximately, 5.40% to 6.25%. Principal accreted for the year ended June 30, 2005 was \$3,065,571.

The Pocahontas Parkway Association Route 895 Connector Second Tier Subordinate Toll Road Revenue Bond, Series 1998D was issued on July 9, 1998 in the principal amount of \$18,000,000 to the CTB. The Series 1998D Bond was issued in exchange for \$18,000,000 loaned to the Association for paying certain non-construction costs of the Project, and shall mature on August 15, 2028. The Series 1998D Bond bears interest at a floating rate equal to the Department's Transportation Trust Fund Earnings Rate, compounded semiannually.

Under the terms of the Indenture the Association issues non-interest bearing Second Tier Subordinate Bonds to the Department representing unreimbursed expenditures made by the Department on the Association's behalf. The following bonds have been issued to the Department:

Series	
2001A	\$441,441
2004A	2,362,136
2005A	<u>1,859,112</u>
Total	<u>\$ 4,662,689</u>

These Bonds are issued on parity in terms of payment with other Second Tier Subordinate Bonds. These Bonds are subordinate to the Senior Bonds and First Tier Subordinate Bonds and will be payable only after all payments of principal, accreted value, premium, if any, and interest on the Senior Bonds and First Tier Subordinate Bonds then due have been paid.

The Route 895 Connector Toll Road Revenue Bonds are special limited obligations of the Association, secured by a gross revenue pledge and payable solely from revenues and other property included in the Trust Estate. The Association is a private, non-stock, nonprofit corporation and has no taxing powers. Bonds issued by the Association are not a debt of the Commonwealth, the Department, the CTB, or any other agency, instrumentality or political subdivision of the Commonwealth moral or otherwise. Neither the full faith and credit nor taxing power of the Commonwealth, the Department, the CTB, or any agency is pledged to the payment of the principal of and interest of bonds issued by the Association.

The following schedule details the annual funding requirements necessary to repay the Series 1998A, 1998B, 1998C, 1998D, 2001A, 2004A and 2005A bonds:

Pocahontas Parkway Association Bonds Series 1998A, 1998B, 1998C, 1998D, 2001A, 2004A, and 2005A Debt Service Requirements to Maturity			
Maturity	Principal	Interest	Total
2006	\$5,300,000	\$9,046,250	\$14,346,250
2007	8,000,000	8,841,250	16,841,250
2008	9,000,000	8,548,500	17,548,500
2009	10,100,000	8,199,375	18,299,375
2010	11,300,000	7,797,750	19,097,750
2011-2015	87,800,000	33,245,000	121,045,000
2016-2020	126,300,000	32,037,500	158,337,500
2021-2025	165,900,000	32,037,500	197,937,500
2026-2030	243,662,689	16,304,750	259,967,439
2031-2035	273,000,000	0	273,000,000
2036	79,500,000	0	79,500,000
	<u>\$1,019,862,689</u>	<u>\$156,057,875</u>	<u>\$1,175,920,564</u>
Less:			
Current Portion of Bonds Payable	(5,300,300)		(5,300,000)
Unamortized Discount	(848,512)		(848,512)
Imputed interest bond discount	(3,345,310)	3,345,310	0
Unaccreted Capital			
Appreciation Bonds	<u>(552,311,732)</u>		<u>(552,311,732)</u>
Total	<u>\$458,057,135</u>	<u>\$159,403,185</u>	<u>\$617,460,320</u>

Bond Defeasance

In prior years, the Department has defeased certain general obligation and revenue bonds by placing the surplus trust funds and refunding bond proceeds in irrevocable trusts to provide for all future debt service payments on refunded bonds. Accordingly, the trust accounts assets and liabilities for the defeased bonds are not included in these financial statements.

As of June 30, 2005, outstanding bond issues that have been defeased in-substance are as follows:

<u>Issue</u>	<u>Outstanding at June 30, 2005</u>
Northern Virginia Transportation District Program Transportation Revenue Bonds, Series 1996A	\$ 48,375,000
Northern Virginia Transportation District Program Transportation Revenue Bonds, Series 1999A	19,755,000
Northern Virginia Transportation District Program Transportation Revenue Bonds, Series 2001A	17,730,000
U.S. Route 58 Corridor Development Program Revenue Bonds, Series 1996B	75,645,000
U.S. Route 58 Corridor Development Program Revenue Bonds, Series 1999B	121,465,000
U.S. Route 58 Corridor Development Program Revenue Bonds, Series 2001B	30,880,000
Hirst-Brault Expressway General Obligation Bonds, Series 1996	<u>23,850,000</u>
Total:	<u>\$337,700,000</u>

Arbitrage Rebate

The Internal Revenue Code of 1986 requires that governmental entities issuing debt subsequent to August 1986, calculate arbitrage rebate earnings to the Federal Government. Rebate payments, if required, are due at least once every five years until the bond proceeds have been fully used for their intended purpose. Governmental entities must comply with the Regulations in order for their bonds to maintain a tax-exempt status.

The Regulations require the excess of the aggregate amounts earned on investments purchased with bond proceeds over a rate equal to the bond yield be rebated to the Federal Government. Income earned on amounts reserved for the arbitrage rebate is also subject to rebate. During the year the Department paid \$940,813 to the Federal Government for rebate liability on Transportation Facilities Bonds.

Capital Leases

The Department is the lessee of buildings and equipment under capital leases expiring in 2006. The assets under capital leases are recorded as fixed assets at the lower of the net present value of the minimum lease payments during the lease term or the fair market value of the asset. Fixed assets acquired via lease agreements for Governmental funds are capitalized in the Government Wide Statements. The associated liability is also recorded in the Government Wide Statements. For all capital leases, the minimum lease payments together with the present value of the net minimum lease payments as of June 30, 2005, are as follows:

<u>Maturity</u>	
2006	\$187,150
2007	0
Total Minimum Lease Payments	187,150
Less: Amounts Representing Executory Costs	103
Net Minimum Lease Payments	187,047
Less: Amounts Denoting Interest	8,119
Present Value of Net Minimum Lease Payments	<u>\$178,928</u>

Notes Payable

Hirst Brault Expressway

The interest free note to Fairfax County, Virginia was issued pursuant to the State Revenue Bond Act, Article 5, Title 33.1 of the Code of Virginia, as amended, for the purpose of paying a part of the cost of acquisition and construction of the Hirst Brault Expressway. The principal sum of \$4,325,000 is payable on December 1, 2008, unless sooner paid upon mutual consent of Fairfax County and the Commonwealth Transportation Board (Board). This note is subject to redemption in whole or in part, prior to maturity, without penalty or premium, at the option of the Board acting on behalf of the Commonwealth. This note is subject to mandatory redemption on that date, which is one year following the date of payment in full of all the Series 1987A Bonds.

\$4,325,000

Powwhite Parkway Extension

The bond legislation permits the Treasury Board, with the consent of the Governor, to provide for repayment of \$22,000,000 to Chesterfield County for costs of the Powwhite Parkway Extension Toll Road from surplus net revenues of the project prior to retirement of all the bonds issued.

Subsequent to completion of the Powwhite Parkway Extension Chesterfield County determined an urgent need for construction of a ramp and loop at the interchange of Route 76 and Route 288, which was a part of the Toll Road. The General Assembly passed legislation amending the legal description of the Toll Road removing the Route 288 section. In consideration of these actions Chesterfield County agreed to treat the two

mile portion of Route 288 between Powhite Parkway Extension (Route 76) and Route 360 as having been built with \$14 million of its \$22 million contribution and released its claim to be reimbursed for the \$14 million including any associated interest which might be permitted by law.

	<u>\$8,000,000</u>
Total Notes Payable	<u>\$12,325,000</u>

Compensated Absences

Compensated absences represent the amounts of vacation, sick, compensatory leave and disability credits earned by employees of the Department, but not taken at June 30, 2005. The amount reflects all earned vacation, sick and compensatory leave payable under the Commonwealth of Virginia's leave payout policy upon employment termination. An additional liability amount has been included for those employees with less than five years of service based on the probability they will eventually become vested. Also included in the liability is the Department's share of the FICA taxes on leave balances for which employees will be compensated. Compensated absences are recorded as current and long-term debt in the Government-wide statements as of June 30, 2005 as follows:

Current	\$33,767,814
Non-current	<u>25,996,429</u>
	<u>\$59,764,243</u>

7. FUND EQUITY RESERVES

	<u>Balance at June 30, 2005</u>	
	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>
Restricted for:		
Construction	\$164,855,329	
Pocahontas Parkway funds	15,101,933	
Bond interest and sinking fund		\$75,520,158
	<u>\$179,957,262</u>	<u>\$75,520,158</u>

8. CONTINGENCIES

Grants and Contracts

Federal programs in which the Department participates are audited in accordance with the provisions of the U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments (Circular). Pursuant to the provisions of Circular A-133, all major programs and certain other programs are tested for compliance with applicable grant requirements. The provisions of this Circular do not limit the authority of federal agencies or other federal audit officials to make, or contract for, audits and evaluations of

federal financial assistance programs. As a result, final expenditure reports of grants and contracts submitted to granting agencies in current and prior years are subject to audit and adjustment by such agencies. The effect of such adjustments, if any, is not determinable at this time.

Litigation

The Department is involved in continuing litigation related to construction of roadways, repairs to roadways and transportation facilities damaged by outside parties, and accident claims involving state operated and privately owned motor vehicles. The Department is named as a party in legal proceedings and investigations that occur in the normal course of its operations, some involving substantial amounts. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the Department in respect to the various proceedings; however, it is believed that any ultimate liability resulting from these suits or investigations will not have any material, adverse effect on the financial condition of the Department.

Risk Management

The Department of Transportation is exposed to various risks of loss related to torts; theft or, damage to, and destruction of assets; errors and omissions; non-performance of duty; injuries to employees; and natural disasters. The Department of Transportation participates in insurance plans maintained by the Commonwealth of Virginia. The state employee health care and worker's compensation plans are administered by the Department of Human Resource Management and the risk management insurance plans are administered by the Department of Treasury, Division of Risk Management. Risk management insurance includes property, general liability, medical malpractice, faithful performance of duty bond, automobile, and air and watercraft plans. The Department of Transportation pays premiums to each of these Departments for its insurance coverage. Information relating to the Commonwealth's insurance plans is available at the statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

9. TRANSFERS

TO (FROM) OTHER STATE AGENCIES

In accordance with the Acts of Assembly, certain state agencies collect revenue or provide services for the benefit of the Department. The Department is required by law to transfer funds to other agencies for those services. The cost of these services is recorded as either a direct expenditure to the Department's programs or as a program expenditure of the agency providing the service. When an agency treats the cost as its program expenditure, the Department shows the cost of such service as a "transfer to other state agencies" in the Other Financing Sources (Uses) category. These expenditures and transfers for the fiscal year ending June 30, 2005 are shown below.

Cost of services provided by other agencies and recorded as an expenditure of the Department's programs:

Department of Motor Vehicles	\$9,704,372
Department of State Police	6,635,552
Department of Rail and Public Transportation	4,506,699
Dept. of Minority Business Enterprises	1,206,167
Department of Emergency Services	828,741
Secretary of Transportation	614,045
Department of Education	147,149
Virginia Liaison Office	119,837
Department of Historic Resources	100,000
Total Expenditures	<u>\$23,862,562</u>

General fund budget transfers, cost of services provided by other agencies recorded as a transfer by the Department, and transfers from other agencies:

	<u>Transfers To (From) Other State Agencies</u>
General Fund:	
Indirect Costs	\$4,180,250
General Fund Transfer	5,291,549
Department of Rail and Public Transportation	44,305,744
Chesapeake Bay Improvements	7,416,469
Department of Motor Vehicles	1,486,215
Department of Law	1,295,016
Virginia Port Authority	1,000,181
Department of Conservation Resources	721,917
Department of Aviation	571,532
Science Museum	77,970
Department of General Services	282,905
Marine Resources Commission	277,578
Dept. of Agriculture & Consumer Services	97,586
Dept. of Minority Business Enterprises	(41,080)
Other	(572,756)
Department of Emergency Management	(17,554,175)
Department of Accounts	(47,086,602)
Total Transfers To (From) Other Agencies	<u>\$1,750,299</u>

INTRAFUND TRANSFERS

The department recorded the following intrafund transfers in FY2005:

Fund	Transfers In	Transfers Out
SPECIAL REVENUE FUNDS		
<u>Highway Maintenance & Operations Fund</u>		
From Surplus Property Fund	\$3,223,985	
From Recyclable Materials Fund	318,303	
From Hirst Brault Expressway Fund	692,516	
From Powhite Parkway Extension Fund	514,396	
From Construction Fund	244,617,557	
To Hirst Brault Expressway Fund		\$1,910
TOTALS	249,366,757	1,910
 <u>Federal Fund</u>		
From Priority Transportation Fund	118,971,646	
To Federal Reimbursement Anticipation Notes Fund		118,971,646
TOTALS	118,971,646	118,971,646
 <u>Construction Fund</u>		
From Elizabeth River Fund	3,467	
To Priority Transportation Fund		91,659,533
To Hirst Brault Expressway Fund		686,034
To Highway Maintenance & Operating Fund		244,617,557
TOTALS	3,467	336,963,125
 <u>Pocahontas Parkway Fund</u>		
From Toll Facilities Revolving Fund	60,411	0
TOTALS	60,411	0
 <u>Toll Facilities Revolving Fund</u>		
To Pocahontas Parkway Fund		60,411
TOTALS	0	60,411
 <u>Recyclable Materials Fund</u>		
To Highway Maintenance & Operating Fund		318,303
TOTALS	0	318,303
 <u>Surplus Property Fund</u>		
To Highway Maintenance & Operating Fund		3,223,985
TOTALS	0	3,223,985

Fund	Transfers In	Transfers Out
<u>Rt. 58 Fund</u>		
From Priority Transportation Fund	15,000,000	
To Rt. 58 Debt Service Fund		44,499,149
TOTALS	15,000,000	44,499,149
<u>Transportation Set Aside Fund</u>		
To Transportation Set Aside Debt Service Fund		2,330,959
TOTALS	0	2,330,959
<u>Coleman Bridge Fund</u>		
To Coleman Bridge Debt Service Fund		3,433,071
TOTALS	0	3,433,071
<u>Priority Transportation Fund</u>		
From Construction Fund	91,659,533	
To Federal Fund		118,971,646
To Rt. 58 Fund		15,000,000
To Northern Va. Transportation District Fund		15,000,000
TOTALS	91,659,533	148,971,646
<u>Federal Reimbursement Anticipation Notes Fund</u>		
To Federal Reimbursement Anticipation Debt Service		966,901
To Hirst-Brault Expressway Fund		626,559
TOTALS	0	1,593,460
<u>Elizabeth River Tunnels Fund</u>		
To Construction Fund		3,468
TOTALS	0	3,468
<u>Hirst-Brault Expressway Fund</u>		
From Federal Reimbursement Anticipation Notes Fund	626,559	
From Construction Fund	686,034	
From Highway Maintenance & Operating Fund	1,910	
To Hirst Brault Expressway Debt Service Fund		11,229,426
To Highway Maintenance & Operating Fund		692,516
TOTALS	1,314,503	11,921,941

Fund	Transfers In	Transfers Out
<u>Northern Virginia Transportation District Fund</u>		
From Priority Transportation Fund	15,000,000	
To Northern Va. Transportation District Debt Service Fund		25,637,087
TOTALS	15,000,000	25,637,087
 <u>Powhite Parkway Extension Fund</u>		
To Powhite Parkway Extension Debt Service Fund		5,923,663
To Highway Maintenance & Operating Fund		514,396
TOTALS	0	6,438,058
 Subtotal Special Revenue Funds	\$491,376,317	\$704,368,219

DEBT SERVICE FUNDS	Transfers In	Transfers Out
<u>Rt. 58 Debt Service Fund</u>		
From Special Revenue - Rt. 58 Fund	\$44,499,149	
 <u>Transportation Set Aside Debt Service Fund</u>		
From Special Revenue - Transportation Set Aside Fund	2,330,959	
 <u>Coleman Bridge Debt Service Fund</u>		
From Special Revenue - Coleman Bridge Fund	3,433,071	
 <u>Federal Reimbursement Anticipation Notes Debt Service Fund</u>		
From Special Revenue - Federal Fund	118,971,646	
From Special Revenue - Federal Reimbursement Anticipation Notes Fund	966,901	
 <u>Hirst-Brault Expressway Debt Service Fund</u>		
From Special Revenue – Hirst Brault Expressway Fund	11,229,426	
 <u>Powhite Parkway Extension Debt Service Fund.</u>		
From Special Revenue – Powhite Parkway Extension Fund	5,923,663	
 <u>Northern Virginia Transportation District Debt Service Fund</u>		
From Special Revenue – Northern Va. Transportation District Fund	25,637,087	
 Subtotal Debt Service Funds	\$212,991,902	\$0
 Total All SR & DS Funds	\$704,368,219	\$704,368,219

10. PROPERTY, PLANT AND EQUIPMENT

The following presents Governmental capital activity for the year ended June 30, 2005:

	Governmental Activities			
	As restated June 30, 2004	Increases	Decreases	June 30, 2005
Capital assets not being depreciated:				
Land and improvements	\$18,750,328	\$2,528,469	\$0	\$21,278,797
Construction in progress	29,644,910	14,571,223	(8,908,394)	35,307,739
Total non-depreciable capital assets	<u>\$48,395,238</u>	<u>\$17,099,692</u>	<u>(\$8,908,394)</u>	<u>\$56,586,536</u>
Other depreciable capital assets:				
Buildings and improvements	\$159,137,061	\$6,063,075	\$0	\$165,200,136
Equipment	224,316,049	42,834,543	(18,478,307)	248,672,285
Total other capital assets at historical cost	<u>383,453,110</u>	<u>48,897,618</u>	<u>(18,478,307)</u>	<u>413,872,421</u>
Less accumulated depreciation for:				
Buildings and improvements	(49,613,523)	(5,205,472)	26,854	(54,792,141)
Equipment	(120,896,873)	(12,569,684)	11,689,950	(121,776,607)
Total accumulated depreciation	<u>(170,510,396)</u>	<u>(17,775,156)</u>	<u>11,716,804</u>	<u>(176,568,748)</u>
Total depreciable capital assets, net	<u>\$212,942,714</u>	<u>\$31,122,462</u>	<u>(\$6,761,503)</u>	<u>\$237,303,673</u>
Infrastructure assets not being depreciated				
Highway system right-of-way	<u>\$1,212,014,832</u>	<u>\$164,717,032</u>	<u>(\$51,147,585)</u>	<u>\$1,325,584,279</u>
Total non-depreciable infrastructure	<u>1,212,014,832</u>	<u>164,717,032</u>	<u>(51,147,585)</u>	<u>1,325,584,279</u>
Other depreciable infrastructure assets:				
Highway system infrastructure	12,606,680,508	1,119,957,370	(265,392,449)	13,461,245,429
Restorative maintenance	428,939,193	153,951,141	0	582,890,334
Bridge and tunnel infrastructure	3,394,292,674	51,904,087	0	3,446,196,761
Total road system infrastructure	<u>16,429,912,375</u>	<u>1,325,812,598</u>	<u>(265,392,449)</u>	<u>17,490,332,524</u>
Less accumulated depreciation for:				
Highway system infrastructure	(7,036,269,275)	(317,939,304)	11,413,448	(7,342,795,131)
Bridge and tunnel infrastructure	(1,310,952,018)	(67,463,169)	0	(1,378,415,187)
Total accumulated depreciation	<u>(8,347,221,293)</u>	<u>(385,402,473)</u>	<u>11,413,448</u>	<u>(8,721,210,318)</u>
Total infrastructure, net	<u>\$9,294,705,914</u>	<u>\$1,105,127,157</u>	<u>(\$305,126,586)</u>	<u>\$10,094,706,485</u>
Infrastructure, work in process				
Road and bridge	\$2,154,552,109	\$984,995,017	(\$1,121,993,938)	\$2,017,553,188
Right-of-way	320,612,767	126,581,460	(164,717,032)	282,677,195
Total Infrastructure, work In process	<u>\$2,475,364,876</u>	<u>\$1,111,576,477</u>	<u>(\$1,286,710,970)</u>	<u>\$2,300,230,383</u>
Grand total governmental activities capital assets, net	<u>\$12,031,408,742</u>	<u>\$2,264,925,788</u>	<u>(\$1,607,507,453)</u>	<u>\$12,688,827,077</u>
Depreciation expense was charged to programs as follows:				
Governmental activities:				
Highway system acquisition and construction		\$373,989,025		
Administrative and support services		(7,030,169)		
Highway system maintenance		7,921,796		
Unallocated		5,166,725		
Total governmental activities depreciation expense		<u>\$380,047,377</u>		

Note: Beginning balances have been restated by a \$52,784,742 decrease due to correction of prior period capital asset balances as discussed in note 5.

The following presents Business Type capital activity for the year ended June 30, 2005:

	Business Type Activities			
	June 30, 2004	Increases	Decreases	June 30, 2005
Enterprise Fund				
Construction in progress	\$0	\$0	\$0	\$0
Capital assets not being depreciated:	14,434,537	0	0	14,434,537
Total non-depreciable capital assets	<u>\$14,434,537</u>	<u>\$0</u>	<u>\$0</u>	<u>\$14,434,537</u>
Capital assets:	<u>\$314,736,222</u>	<u>\$0</u>	<u>\$0</u>	<u>\$314,736,222</u>
Less accumulated depreciation for:				
Capital assets	<u>(19,291,646)</u>	<u>(10,551,592)</u>	<u>0</u>	<u>(29,843,238)</u>
Total depreciable capital assets, net	<u>\$309,879,113</u>	<u>\$(10,551,592)</u>	<u>\$0</u>	<u>\$284,892,984</u>
Grand total business type activities capital assets, net	\$309,879,113	\$(10,551,592)	\$0	\$299,327,521

11. SPECIAL REVENUE FUNDS RECONCILIATION OF BUDGETARY FUND BALANCE TO ACCRUAL BASIS FUND BALANCE FY 2005

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Cash Basis - Special Revenue Funds presents comparisons of the legally adopted budget prepared on the cash basis with actual data prepared on the cash basis. To enhance this comparison, actual data on the cash basis is reconciled with actual data on the modified accrual basis as follows:

Total Budgetary (Cash) Basis Fund Balance at June 30, 2005	<u>\$1,296,195,330</u>
Accrued Revenues on GAAP Basis	98,596,184
Accrued Expenditures on GAAP Basis	(185,541,161)
Accrued Transfers on GAAP Basis	<u>966,466</u>
Total Modified Accrual (GAAP) Basis Fund Balance at June 30, 2005	<u>\$1,210,216,819</u>

12. CASH AND INVESTMENTS

Cash with the Treasurer of Virginia

All state funds of the Department are held by the Treasurer of Virginia pursuant to Section 2.2-1800 (formerly 2.1-177), *et seq.*, *Code of Virginia* (1950), who is responsible for the collection, disbursement, custody, and investment of state funds. Each fund's equity in pooled state funds is reported as "Cash with the Treasurer of Virginia" on the balance sheet and is not

categorized as to credit risk. Cash whose use is limited by bond agreements also is held by the Treasurer of Virginia in a trustee capacity. The bank balance of cash held by the Treasurer in a trustee capacity is covered by federal depository insurance or collateralized in accordance with the Virginia Securities for Public Deposits Act.

The Department maintains cash with the Treasurer in the State Treasurer's General Account. The State Treasurer's General Account participated in securities lending transactions at June 30, 2005. The securities on loan are not reported as investments on the Department's financial statements. They are reported as Cash with the Treasurer of Virginia. The Treasurer has used this cash to purchase investments that have been loaned out under the securities lending program. The Treasurer receives both cash and non-cash collateral totaling 102% of securities lent. Loaned securities, for which the collateral is reported as "Investments held by Treasurer" on the balance sheet, are non-categorized as to custodial credit risk. In addition, the Department's share of cash collateral as re-invested at June 30, 2005 was \$304,363,117. General Account securities lending transactions are not reflected in the risk category table below. The details of the General Account securities lending program are included in the Commonwealth's Annual Financial Report.

Cash, Cash Equivalents, and Investments

Certain deposits and investments are held by the Department or are represented by specific identifiable investment securities held by the Treasurer of Virginia for the Department. Such deposits and investments are reported separately from cash and cash equivalents with the Treasurer as investments.

Cash and cash equivalents held by trustees other than the Treasurer of Virginia whose use is limited by bond or other agreements is reported on the combined balance sheet as "Cash and cash equivalents with trustees". At June 30, 2005, the Construction Fund, Toll Facilities Revolving Fund, Route 58, Northern Virginia Transportation District, and Federal Reimbursement Anticipation Notes, Pocahontas Parkway Fund, Route 28, and Oak Grove Funds had cash and cash equivalent balances with trustee of \$605,366, \$15,891,739, \$10,736,443, \$18,167,621, \$102,279,276, \$15,101,933, \$38,207, and \$487 respectively.

Cash and cash equivalents represent deposits and short-term investments with original maturities of less than three months, whereas, investments represent securities with maturities in excess of three months and for which management intends to hold the securities to maturity.

Deposits with banks and savings institutions are covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act. Statutes authorize the investment of funds held by the Department in obligations of the Commonwealth, federal government, other states or political subdivisions thereof, Virginia political subdivisions, the International Bank for Reconstruction and Development, the Asian Development Bank, and the African Development Bank. In addition, the Department may invest in prime quality commercial paper rated prime 1 by Moody's Investment Service or A-1 by Standard and Poor's Incorporated, overnight term or open repurchase agreements, money market funds comprised of investments which are otherwise legal investments of the Department, and bankers acceptances.

Pursuant to the provisions of the Indenture, all proceeds from the issuance of the Pocahontas Parkway Association Route 895 Connector Toll Road Revenue Senior and First Tier Bonds are held by the Trustee. The bond indenture authorizes the Trustee to invest in obligations which are unconditionally guaranteed by the United States of America, obligations issued and fully secured by public agencies or municipalities, direct and general obligations of any state, political subdivision or governmental authority within the United States of America provided such obligations are rated in one of two highest rating categories, demand deposits or interest bearing time deposits with the Trustee or a member of the Federal Deposit Insurance Corporation (the "FDIC"), repurchase agreements with banks which are members of the FDIC, certificates of deposit and investment agreements of any bank or financial institution with undivided capital surplus of at least \$50 million and one of the two highest ratings from each rating agency, and certain other instruments of specified quality and rating as dictated by the Indenture. All cash equivalents and investments are legally restricted and committed to the construction of the project and then to the related debt service. During fiscal year 2005, the Pocahontas Parkway Association trustee transferred to VDOT's Department Capital Cost Savings Account \$204,432 in surplus monies remaining in the construction fund in accordance with the Master Indenture.

The Department and Association investments, including short-term investments, are categorized below to give an indication of the level of risk assumed at June 30, 2005. Credit risk is the risk that the Department and Association may not be able to obtain possession of its investment instrument or collateral at maturity. Risk category 3 includes investments which are uninsured and unregistered, with securities held by the broker / dealer or by the agency's trust department or safekeeping agent but not in the agency's name.

<u>Type of Securities</u>	<u>Category 3</u>	<u>Reported Amount</u>	<u>Market Value</u>
<u>Cash Equivalents - Categorized</u>			
Repurchase Agreements	\$15,880,623	\$15,880,623	\$15,880,623
Total	\$15,880,623	\$15,880,623	\$15,880,623
<u>Cash Equivalents – Not Categorized</u>			
Short-term Investment Funds		\$ 5,540,481	\$ 5,540,481
Investment in State Non-arbitrage Investment Pool		57,285,934	57,285,934
Investment in Local Government Investment Pool		63,254,810	63,254,810
Guaranteed Investment Contracts		35,305,446	35,305,446
Total		161,386,671	161,386,671
Grand Total		\$177,267,294	\$177,267,294

13. PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS

Employees of the Virginia Department of Transportation are employees of the Commonwealth. The employees participate in a defined benefit pension plan administered by the Virginia Retirement System (VRS). The VRS also administers life insurance and health related plans for retired employees. Information related to these plans is available at the statewide level only in the Commonwealth of Virginia's Comprehensive Annual Financial Report (CAFR). The Commonwealth, not VDOT, has the overall responsibility for contributions to these plans.

14. SUBSEQUENT EVENTS

Future Bond Sales:

In September 2005, the Commonwealth Transportation Board issued \$250,000,000 in Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes, Series 2005. The proceeds of the Series 2005 Note will be used to finance various transportation projects throughout the Commonwealth pursuant to the Virginia Transportation Act of 2000 (VTA) and to pay issuance costs and other financing expenses of the Series 2005 Notes.



FINANCIAL REPORT

REQUIRED SUPPLEMENTARY INFORMATION



JUNE 30, 2005



FINANCIAL REPORT

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES



JUNE 30, 2005

**Major Governmental Funds
Budget and Actual
Special Revenue Funds**

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**VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	TOTAL			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$77,439,911	\$277,439,911	\$277,439,911	\$0
Taxes	1,898,300,000	1,898,300,000	1,768,175,943	(130,124,057)
Rights and privileges	232,050,909	232,050,909	239,870,298	7,819,389
Sale of property and commodities	2,000	2,000	3,319,923	3,317,923
Interest, dividends, and rents	31,110,400	31,110,400	38,305,046	7,194,646
Fines, forfeitures, court fees				
Penalties, and escheats	6,487,021	6,487,021	8,090,936	1,603,915
Receipts from cities, counties, and towns	32,137,400	32,137,400	78,760,031	46,622,631
Federal grants and contracts	745,818,416	745,818,416	466,200,440	(279,617,976)
Toll revenues	54,472,000	54,472,000	58,638,251	4,166,251
Other	9,504,302	9,504,302	44,802,424	35,298,122
Total revenues	3,087,322,359	3,287,322,359	2,983,603,203	(303,719,156)
Expenditures				
Current				
Administrative and support services	260,426,865	261,330,383	221,917,501	39,412,882
Ground transportation system planning and research	24,115,093	28,670,424	20,349,201	8,321,223
Highway system acquisition and construction	1,174,131,060	1,638,455,889	968,304,343	670,151,546
Highway acq. and const. - bond proceeds	50,318,378	151,098,286	115,361,745	35,736,541
Highway system maintenance	962,310,694	1,032,869,833	1,022,983,763	9,886,070
Ground transportation system safety	10,881,295	29,956,700	11,625,418	18,331,282
Financial assistance to localities	284,841,000	315,641,000	279,823,458	35,817,542
Environmental monitoring and compliance	19,145,548	16,322,224	11,106,725	5,215,499
Land management	813,737	823,600	747,932	75,668
Toll facility operations and construction	39,658,621	89,809,684	46,125,537	43,684,147
Capital outlay	11,144,000	63,240,487	17,946,926	45,293,561
Transfers to other state agencies	30,379,940	30,379,940	23,862,564	6,517,376
Total expenditures	2,868,166,231	3,658,598,450	2,740,155,112	918,443,338
Revenues over (under) expenditures	219,156,128	(371,276,091)	243,448,091	614,724,182
Other financing sources (uses)				
Other financing uses	0	0	(957,649)	(957,649)
Other financing sources	83,627,456	143,792,641	204,432	(143,588,209)
Bond proceeds	0	0	331,435	331,435
Transfers to other state agencies and General Fund	(27,988,809)	(27,988,809)	(69,998,662)	(42,009,853)
Transfers from other state agencies and General Fund	40,697,100	40,697,100	70,971,334	30,274,234
Transfers in	298,586,662	298,586,662	550,580,880	251,994,218
Transfers out	(346,454,625)	(346,454,625)	(763,572,782)	(417,118,157)
Total other financing sources (uses)	48,467,784	108,632,969	(212,441,011)	(321,073,980)
Revenues and other sources over (under) expenditures and other uses	267,623,912	(262,643,122)	31,007,080	293,650,202
Fund balance - July 1 *	1,265,188,251	1,265,188,251	1,265,188,251	0
Fund balance - June 30	\$1,532,812,163	\$1,002,545,129	\$1,296,195,330	\$293,650,202

* Restated for reclassification of \$11,060,100 intra fund receivable for Powhite Parkway Extension Fund due to Construction and intra fund receivable of \$38,211,000 for Coleman Bridge due to Toll Facilities Revolving

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	FEDERAL			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	0	0
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	745,818,416	745,818,416	466,200,440	(279,617,976)
Toll revenues	0	0	0	0
Other	0	0	0	0
Total revenues	745,818,416	745,818,416	466,200,440	(279,617,976)
Expenditures				
Current				
Administrative and support services	150,000	763,820	121,766	642,054
Ground transportation system planning				
and research	11,880,000	13,643,707	10,219,067	3,424,640
Highway system acquisition and construction	650,744,130	663,762,450	450,906,046	212,856,404
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	22,091,517	20,717,271	1,374,246
Ground transportation system safety	0	960,000	502,569	457,431
Financial assistance to localities	4,330,000	5,830,000	4,922,548	907,452
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	800,790	0	800,790
Transfers to other state agencies	0	0	0	0
Total expenditures	667,104,130	707,852,284	487,389,267	220,463,017
Revenues over (under) expenditures	78,714,286	37,966,132	(21,188,827)	(59,154,959)
Other financing sources (uses)				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies				
and General Fund	0	0	(61,945)	(61,945)
Transfers from other state agencies				
and General Fund	19,000,000	19,000,000	21,098,174	2,098,174
Transfers in	0	0	118,971,646	118,971,646
Transfers out	0	0	(118,971,646)	(118,971,646)
Total other financing sources (uses)	19,000,000	19,000,000	21,036,229	2,036,229
Revenues and other sources over				
 (under) expenditures and other uses	97,714,286	56,966,132	(152,598)	(57,118,730)
Fund balance - July 1	648,416	648,416	648,416	0
Fund balance - June 30	\$98,362,702	\$57,614,548	\$495,818	(\$57,118,730)

**VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	HIGHWAY MAINTENANCE & OPERATING			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	1,119,500,000	1,119,500,000	1,126,794,950	7,294,950
Rights and privileges	190,804,177	190,804,177	208,449,231	17,645,054
Sale of property and commodities	2,000	2,000	272,393	270,393
Interest, dividends, and rents	2,500	2,500	58,069	55,569
Fines, forfeitures, court fees				
Penalties, and escheats	6,487,021	6,487,021	8,046,554	1,559,533
Receipts from cities, counties, and towns	0	0	692,047	692,047
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	9,504,302	9,504,302	18,713,757	9,209,455
Total revenues	1,326,300,000	1,326,300,000	1,363,027,001	36,727,001
Expenditures				
Current				
Administrative and support services	259,624,065	259,913,763	221,256,310	38,657,453
Ground transportation system planning and research	3,176,424	4,533,946	4,169,545	364,401
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	962,310,694	1,010,778,316	1,002,266,492	8,511,824
Ground transportation system safety	10,881,295	28,996,700	11,122,849	17,873,851
Financial assistance to localities	272,969,700	272,969,700	271,403,711	1,565,989
Environmental monitoring and compliance	19,145,548	16,322,224	11,106,725	5,215,499
Land management	813,737	823,600	747,932	75,668
Toll facility operations and construction	0	0	0	0
Capital outlay	0	506,478	34,476	472,002
Transfers to other state agencies	30,379,940	30,379,940	23,862,564	6,517,376
Total expenditures	1,559,301,403	1,625,224,667	1,545,970,604	79,254,063
Revenues over (under) expenditures	(233,001,403)	(298,924,667)	(182,943,603)	115,981,064
Other financing sources (uses)				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	(18,709,347)	(18,709,347)	(19,649,873)	(940,526)
Transfers from other state agencies and General Fund	0	0	619,150	619,150
Transfers in	244,617,558	244,617,558	249,348,677	4,731,119
Transfers out	0	0	(49,642,910)	(49,642,910)
Total other financing sources (uses)	225,908,211	225,908,211	180,675,044	(45,233,167)
Revenues and other sources over (under) expenditures and other uses	(7,093,192)	(73,016,456)	(2,268,559)	70,747,897
Fund balance - July 1	212,881,365	212,881,365	212,881,365	0
Fund balance - June 30	\$205,788,173	\$139,864,909	\$210,612,806	\$70,747,897

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

CONSTRUCTION				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$200,000,000	\$200,000,000	\$0
Taxes	758,800,000	758,800,000	621,380,993	(137,419,007)
Rights and privileges	34,386,968	34,386,968	25,948,221	(8,438,747)
Sale of property and commodities	0	0	3,047,185	3,047,185
Interest, dividends, and rents	17,449,900	17,449,900	3,382,139	(14,067,761)
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	23,885	23,885
Receipts from cities, counties, and towns	23,790,300	23,790,300	26,769,117	2,978,817
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	9,341,877	9,341,877
Total revenues	834,427,168	1,034,427,168	889,893,417	(144,533,751)
Expenditures				
Current				
Administrative and support services	652,800	652,800	539,425	113,375
Ground transportation system planning and research	9,058,669	10,492,771	5,960,589	4,532,182
Highway system acquisition and construction	311,777,930	806,007,439	516,506,306	289,501,133
Highway acq. and const. - bond proceeds	42,786,278	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	7,541,300	36,841,300	3,497,199	33,344,101
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	11,144,000	57,522,031	17,885,689	39,636,342
Transfers to other state agencies	0	0	0	0
Total expenditures	382,960,977	911,516,341	544,389,208	367,127,133
Revenues over (under) expenditures	451,466,191	122,910,827	345,504,209	222,593,382
Other financing sources (uses)				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	(1,894,800)	(1,894,800)	(17,394,480)	(15,499,680)
Transfers from other state agencies and General Fund	697,100	697,100	23,821,867	23,124,767
Transfers in	0	0	67,030	67,030
Transfers out	(244,617,558)	(244,617,558)	(346,541,616)	(101,924,058)
Total other financing sources (uses)	(245,815,258)	(245,815,258)	(340,047,199)	(94,231,941)
Revenues and other sources over (under) expenditures and other uses	205,650,933	(122,904,431)	5,457,010	128,361,441
Fund balance - July 1	533,447,097	533,447,097	533,447,097	0
Fund balance - June 30	\$739,098,030	\$410,542,666	\$538,904,107	\$128,361,441

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	PRIORITY TRANSPORTATION FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$37,439,911	\$37,439,911	\$37,439,911	\$0
Taxes	20,000,000	20,000,000	20,000,000	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	4,423,000	4,423,000	4,806,523	383,523
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
Total revenues	61,862,911	61,862,911	62,246,434	383,523
Expenditures				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	211,609,000	168,686,000	891,991	167,794,009
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
Total expenditures	211,609,000	168,686,000	891,991	167,794,009
Revenues over (under) expenditures	(149,746,089)	(106,823,089)	61,354,443	168,177,532
Other financing sources (uses)				
Other financing uses	0	0	(164,843)	(164,843)
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	3,753,000	3,753,000
Transfers in	51,145,024	51,145,024	150,879,024	99,734,000
Transfers out	0	0	(148,971,646)	(148,971,646)
Total other financing sources (uses)	51,145,024	51,145,024	5,495,535	(45,649,489)
Revenues and other sources over (under) expenditures and other uses	(98,601,065)	(55,678,065)	66,849,978	122,528,043
Fund balance - July 1	120,775,719	120,775,719	120,775,719	0
Fund balance - June 30	\$22,174,654	\$65,097,654	\$187,625,697	\$122,528,043

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

TOLL FACILITIES REVOLVING				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	8,290,000	8,290,000	21,147,675	12,857,675
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	20,497	20,497
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	13,142,145	13,142,145
Total revenues	8,290,000	8,290,000	34,310,317	26,020,317
Expenditures				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning				
and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	2,471,600	33,133,136	13,964,921	19,168,215
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
Total expenditures	2,471,600	33,133,136	13,964,921	19,168,215
Revenues over (under) expenditures	5,818,400	(24,843,136)	20,345,396	45,188,532
Other financing sources (uses)				
Other financing uses	0	0	(581,348)	(581,348)
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies				
and General Fund	0	0	0	0
Transfers from other state agencies				
and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	(2,824,080)	(2,824,080)	0	2,824,080
Total other financing sources (uses)	(2,824,080)	(2,824,080)	(581,348)	2,242,732
Revenues and other sources over				
(under) expenditures and other uses	2,994,320	(27,667,216)	19,764,048	47,431,264
Fund balance - July 1*	158,260,152	158,260,152	158,260,152	0
Fund balance - June 30	\$161,254,472	\$130,592,936	\$178,024,200	\$47,431,264

* Restated for reclassification of intra fund receivable of \$38,211,000 for Coleman Bridge due to Toll Facilities

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ROUTE 58			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$40,000,000	\$40,000,000	\$40,000,000	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	345	345
Interest, dividends, and rents	0	0	2,327,371	2,327,371
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	39,757	39,757
Total revenues	40,000,000	40,000,000	42,367,473	2,367,473
Expenditures				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	83,467,679	51,770,977	31,696,702
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
Total expenditures	0	83,467,679	51,770,977	31,696,702
Revenues over (under) expenditures	40,000,000	(43,467,679)	(9,403,504)	34,064,175
Other financing sources (uses)				
Other financing uses	0	0	(84,269)	(84,269)
Other financing sources	0	15,018,415	0	(15,018,415)
Bond proceeds	0	0	237,535	237,535
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	15,000,000	15,000,000
Transfers out	(45,800,000)	(45,800,000)	(44,499,149)	1,300,851
Total other financing sources (uses)	(45,800,000)	(30,781,585)	(29,345,883)	1,435,702
Revenues and other sources over (under) expenditures and other uses	(5,800,000)	(74,249,264)	(38,749,387)	35,499,877
Fund balance - July 1	74,249,264	74,249,264	74,249,264	0
Fund balance - June 30	\$68,449,264	\$0	\$35,499,877	\$35,499,877

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

FEDERAL REIMBURSEMENT ANTICIPATION NOTES				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	1,145,470	1,145,470
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
Total revenues	<u>0</u>	<u>0</u>	<u>1,145,470</u>	<u>1,145,470</u>
Expenditures				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	15,100	49,202	(34,102)
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
Total expenditures	<u>0</u>	<u>15,100</u>	<u>49,202</u>	<u>(34,102)</u>
Revenues over (under) expenditures	<u>0</u>	<u>(15,100)</u>	<u>1,096,268</u>	<u>1,111,368</u>
Other financing sources (uses)				
Other financing uses	0	0	(7,208)	(7,208)
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	(21,785,222)	(21,785,222)
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	(1,593,460)	(1,593,460)
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(23,385,890)</u>	<u>(23,385,890)</u>
Revenues and other sources over (under) expenditures and other uses	<u>0</u>	<u>(15,100)</u>	<u>(22,289,622)</u>	<u>(22,274,522)</u>
Fund balance - July 1	<u>51,821,843</u>	<u>51,821,843</u>	<u>51,821,843</u>	<u>0</u>
Fund balance - June 30	<u>\$51,821,843</u>	<u>\$51,806,743</u>	<u>\$29,532,221</u>	<u>(\$22,274,522)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	NONMAJOR FUNDS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	6,859,764	6,859,764	5,472,846	(1,386,918)
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	945,000	945,000	5,437,799	4,492,799
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	8,347,100	8,347,100	51,298,867	42,951,767
Federal grants and contracts	0	0	0	0
Toll revenues	54,472,000	54,472,000	58,638,251	4,166,251
Other	0	0	3,564,888	3,564,888
Total revenues	70,623,864	70,623,864	124,412,651	53,788,787
Expenditures				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	7,532,100	67,615,507	63,541,566	(4,073,941)
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	37,187,021	56,676,548	32,160,616	(24,515,932)
Capital outlay	0	4,411,188	26,761	(4,384,427)
Transfers to other state agencies	0	0	0	0
Total expenditures	44,719,121	128,703,243	95,728,943	32,974,300
Revenues over (under) expenditures	25,904,743	(58,079,379)	28,683,708	86,763,087
Other financing sources (uses)				
Other financing uses	0	0	(119,981)	(119,981)
Other financing sources	83,627,456	128,774,226	204,432	(128,569,794)
Bond proceeds	0	0	93,900	93,900
Transfers to other state agencies and General Fund	(7,384,662)	(7,384,662)	(11,107,142)	(3,722,480)
Transfers from other state agencies and General Fund	21,000,000	21,000,000	21,679,143	679,143
Transfers in	2,824,080	2,824,080	16,314,503	13,490,423
Transfers out	(53,212,987)	(53,212,987)	(53,352,355)	(139,368)
Total other financing sources (uses)	46,853,887	92,000,657	(26,287,500)	(118,288,157)
Revenues and other sources over (under) expenditures and other uses	72,758,630	33,921,278	2,396,208	(31,525,070)
Fund balance - July 1	113,104,395	113,104,395	113,104,395	0
Fund balance - June 30	\$185,863,025	\$147,025,673	\$115,500,603	(\$31,525,070)

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**Nonmajor Governmental Funds
Budget and Actual
Special Revenue Funds**

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VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	POCAHONTAS PARKWAY			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	0	0
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning				
and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	2,154,667	1,777,160	377,507
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
Total expenditures	<u>0</u>	<u>2,154,667</u>	<u>1,777,160</u>	<u>377,507</u>
Revenues over (under) expenditures	<u>0</u>	<u>(2,154,667)</u>	<u>(1,777,160)</u>	<u>377,507</u>
Other financing sources (uses)				
Other financing uses	0	0	0	0
Other financing sources	0	0	204,432	204,432
Bond proceeds	0	0	0	0
Transfers to other state agencies				
and General Fund	0	0	0	0
Transfers from other state agencies				
and General Fund	0	0	0	0
Transfers in	1,845,997	1,845,997	0	(1,845,997)
Transfers out	0	0	0	0
Total other financing sources (uses)	<u>1,845,997</u>	<u>1,845,997</u>	<u>204,432</u>	<u>(1,641,565)</u>
Revenues and other sources over				
(under) expenditures and other uses	<u>1,845,997</u>	<u>(308,670)</u>	<u>(1,572,728)</u>	<u>(1,264,058)</u>
Fund balance - July 1	<u>12,248,509</u>	<u>12,248,509</u>	<u>12,248,509</u>	<u>0</u>
Fund balance - June 30	<u>\$14,094,506</u>	<u>\$11,939,839</u>	<u>\$10,675,781</u>	<u>(\$1,264,058)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	RECYCLABLE MATERIALS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	0	0
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	318,303	318,303
Total revenues	<u>0</u>	<u>0</u>	<u>318,303</u>	<u>318,303</u>
Expenditures				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Revenues over (under) expenditures	<u>0</u>	<u>0</u>	<u>318,303</u>	<u>318,303</u>
Other financing sources (uses)				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	(318,303)	(318,303)
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(318,303)</u>	<u>(318,303)</u>
Revenues and other sources over (under) expenditures and other uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - July 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

SURPLUS PROPERTY				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	0	0
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	3,205,905	3,205,905
Total revenues	<u>0</u>	<u>0</u>	<u>3,205,905</u>	<u>3,205,905</u>
Expenditures				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Revenues over (under) expenditures	<u>0</u>	<u>0</u>	<u>3,205,905</u>	<u>3,205,905</u>
Other financing sources (uses)				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	(3,205,905)	(3,205,905)
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(3,205,905)</u>	<u>(3,205,905)</u>
Revenues and other sources over (under) expenditures and other uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - July 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NORTHERN VIRGINIA TRANSPORTATION DISTRICT				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	6,859,764	6,859,764	5,472,846	(1,386,918)
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	3,693,938	3,693,938
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	816,000	816,000	811,144	(4,856)
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
Total revenues	7,675,764	7,675,764	9,977,928	2,302,164
Expenditures				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning				
and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	17,478,610	14,265,067	3,213,543
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
Total expenditures	0	17,478,610	14,265,067	3,213,543
Revenues over (under) expenditures	7,675,764	(9,802,846)	(4,287,139)	5,515,707
Other financing sources (uses)				
Other financing uses	0	0	(111,684)	(111,684)
Other financing sources	0	0	0	0
Bond proceeds	0	0	93,900	93,900
Transfers to other state agencies				
and General Fund	0	0	0	0
Transfers from other state agencies				
and General Fund	18,500,000	18,500,000	20,545,401	2,045,401
Transfers in	0	0	15,000,000	15,000,000
Transfers out	(26,330,000)	(26,330,000)	(25,637,087)	692,913
Total other financing sources (uses)	(7,830,000)	(7,830,000)	9,890,530	17,720,530
Revenues and other sources over				
(under) expenditures and other uses	(154,236)	(17,632,846)	5,603,391	23,236,237
Fund balance - July 1	112,942,718	112,942,718	112,942,718	0
Fund balance - June 30	\$112,788,482	\$95,309,872	\$118,546,109	\$23,236,237

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

TRANSPORTATION SET ASIDE				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	52,540	52,540
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	1,750,000	1,750,000
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
Total revenues	0	0	1,802,540	1,802,540
Expenditures				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning				
and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	135,942	10,446	125,496
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
Total expenditures	0	135,942	10,446	125,496
Revenues over (under) expenditures	0	(135,942)	1,792,094	1,928,036
Other financing sources (uses)				
Other financing uses	0	0	(1,878)	(1,878)
Other financing sources	0	6,384	0	(6,384)
Bond proceeds	0	0	0	0
Transfers to other state agencies				
and General Fund	0	0	0	0
Transfers from other state agencies				
and General Fund	2,500,000	2,500,000	1,133,742	(1,366,258)
Transfers in	0	0	0	0
Transfers out	(2,497,800)	(2,497,800)	(2,330,959)	166,841
Total other financing sources (uses)	2,200	8,584	(1,199,095)	(1,207,679)
Revenues and other sources over				
(under) expenditures and other uses	2,200	(127,358)	592,999	720,357
Fund balance - July 1	127,358	127,358	127,358	0
Fund balance - June 30	\$129,558	\$0	\$720,357	\$720,357

**VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	ROUTE 28			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	128,789	128,789
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	7,531,100	7,531,100	48,737,723	41,206,623
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
Total revenues	7,531,100	7,531,100	48,866,512	41,335,412
Expenditures				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	7,531,100	49,999,955	49,265,951	734,004
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
Total expenditures	7,531,100	49,999,955	49,265,951	734,004
Revenues over (under) expenditures	0	(42,468,855)	(399,439)	42,069,416
Other financing sources (uses)				
Other financing uses	0	0	(4,495)	(4,495)
Other financing sources	0	41,830,526	0	(41,830,526)
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Total other financing sources (uses)	0	41,830,526	(4,495)	(41,835,021)
Revenues and other sources over (under) expenditures and other uses	0	(638,329)	(403,934)	234,395
Fund balance - July 1	638,329	638,329	638,329	0
Fund balance - June 30	\$638,329	\$0	\$234,395	\$234,395

**VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	COLEMAN BRIDGE			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	62,859	62,859
Fines, forfeitures, court fees	0	0	0	0
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	4,994,000	4,994,000	4,791,532	(202,468)
Other	0	0	8,937	8,937
Total revenues	4,994,000	4,994,000	4,863,328	(130,672)
Expenditures				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	1,435,835	3,920,642	1,639,467	2,281,175
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
Total expenditures	1,435,835	3,920,642	1,639,467	2,281,175
Revenues over (under) expenditures	3,558,165	1,073,358	3,223,861	2,150,503
Other financing sources (uses)				
Other financing uses	0	0	(1,723)	(1,723)
Other financing sources	37,558,971	40,043,778	0	(40,043,778)
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	(7,748)	(7,748)
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	447,930	447,930	0	(447,930)
Transfers out	(3,451,268)	(3,451,268)	(3,433,071)	18,197
Total other financing sources (uses)	34,555,633	37,040,440	(3,442,542)	(40,482,982)
Revenues and other sources over (under) expenditures and other uses	38,113,798	38,113,798	(218,681)	(38,332,479)
Fund balance - July 1*	(38,113,798)	(38,113,798)	(38,113,798)	0
Fund balance - June 30	\$0	\$0	(\$38,332,479)	(\$38,332,479)

* Restated for reclassification of intra fund receivable of \$38,211,000 for Coleman Bridge due to Toll Facilities

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ROUTE 168 SOUTH			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	552	552
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
Total revenues	<u>0</u>	<u>0</u>	<u>552</u>	<u>552</u>
Expenditures				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning				
and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	1,000	1,000	102	898
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>102</u>	<u>898</u>
Revenues over (under) expenditures	<u>(1,000)</u>	<u>(1,000)</u>	<u>450</u>	<u>1,450</u>
Other financing sources (uses)				
Other financing uses	0	0	(15)	(15)
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies				
and General Fund	0	0	0	0
Transfers from other state agencies				
and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(15)</u>	<u>(15)</u>
Revenues and other sources over				
(under) expenditures and other uses	<u>(1,000)</u>	<u>(1,000)</u>	<u>435</u>	<u>1,435</u>
Fund balance - July 1	<u>16,173</u>	<u>16,173</u>	<u>16,173</u>	<u>0</u>
Fund balance - June 30	<u>\$15,173</u>	<u>\$15,173</u>	<u>\$16,608</u>	<u>\$1,435</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

ELIZABETH RIVER TUNNELS				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	5,992	5,992
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
Total revenues	0	0	5,992	5,992
Expenditures				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	1,000	1,000	1,263	(263)
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
Total expenditures	1,000	1,000	1,263	(263)
Revenues over (under) expenditures	(1,000)	(1,000)	4,729	5,729
Other financing sources (uses)				
Other financing uses	0	0	(186)	(186)
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	(67,031)	(67,031)
Total other financing sources (uses)	0	0	(67,217)	(67,217)
Revenues and other sources over (under) expenditures and other uses	(1,000)	(1,000)	(62,488)	(61,488)
Fund balance - July 1	206,862	206,862	206,862	0
Fund balance - June 30	\$205,862	\$205,862	\$144,374	(\$61,488)

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

OMER L. HIRST - ADELARD L. BRAULT EXPRESSWAY				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	945,000	945,000	1,443,545	498,545
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	38,784,000	38,784,000	43,726,951	4,942,951
Other	0	0	31,675	31,675
Total revenues	39,729,000	39,729,000	45,202,171	5,473,171
Expenditures				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning				
and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	31,038,286	45,063,286	24,835,987	20,227,299
Capital outlay	0	2,687,497	26,761	2,660,736
Transfers to other state agencies	0	0	0	0
Total expenditures	31,038,286	47,750,783	24,862,748	22,888,035
Revenues over (under) expenditures	8,690,714	(8,021,783)	20,339,423	28,361,206
Other financing sources (uses)				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies				
and General Fund	(7,384,662)	(7,384,662)	(11,082,956)	(3,698,294)
Transfers from other state agencies				
and General Fund	0	0	0	0
Transfers in	0	0	1,314,503	1,314,503
Transfers out	(11,355,714)	(11,355,714)	(11,921,941)	(566,227)
Total other financing sources (uses)	(18,740,376)	(18,740,376)	(21,690,394)	(2,950,018)
Revenues and other sources over				
(under) expenditures and other uses	(10,049,662)	(26,762,159)	(1,350,971)	25,411,188
Fund balance - July 1	68,040,777	68,040,777	68,040,777	0
Fund balance - June 30	\$57,991,115	\$41,278,618	\$66,689,806	\$25,411,188

**VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	POWHITE PARKWAY EXTENSION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	49,584	49,584
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	10,694,000	10,694,000	10,119,768	(574,232)
Other	0	0	68	68
Total revenues	10,694,000	10,694,000	10,169,420	(524,580)
Expenditures				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning				
and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	4,711,900	5,536,953	3,906,739	1,630,214
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
Total expenditures	4,711,900	5,536,953	3,906,739	1,630,214
Revenues over (under) expenditures	5,982,100	5,157,047	6,262,681	1,105,634
Other financing sources (uses)				
Other financing uses	0	0	0	0
Other financing sources	46,068,485	46,893,538	0	(46,893,538)
Bond proceeds	0	0	0	0
Transfers to other state agencies				
and General Fund	0	0	(16,438)	(16,438)
Transfers from other state agencies				
and General Fund	0	0	0	0
Transfers in	530,153	530,153	0	(530,153)
Transfers out	(9,578,205)	(9,578,205)	(6,438,058)	3,140,147
Total other financing sources (uses)	37,020,433	37,845,486	(6,454,496)	(44,299,982)
Revenues and other sources over				
(under) expenditures and other uses	43,002,533	43,002,533	(191,815)	(43,194,348)
Fund balance - July 1*	(43,002,533)	(43,002,533)	(43,002,533)	0
Fund balance - June 30	\$0	\$0	(\$43,194,348)	(\$43,194,348)

* Restated for reclassification of \$11,060,100 intra fund receivable for Powhite Parkway Extension Fund due to Construction

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<p>Nonmajor Governmental Funds Special Revenue</p>

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**VIRGINIA DEPARTMENT OF TRANSPORTATION
BALANCE SHEET GOVERNMENTAL FUNDS
SPECIAL REVENUE
June 30, 2005**

	POCAHONTAS PARKWAY	RECYCLABLE MATERIALS	SURPLUS PROPERTY
ASSETS			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 12)	\$181,511	\$0	\$0
Cash and cash equivalents with trustees (Note 12)	15,101,933	0	0
Collateral held for sec. lending - investments (Note 12)	0	0	0
Advance fund	10,000	0	0
Receivables: (Net)			
Federal government	0	0	0
Cities, counties, and towns	0	0	0
State agencies	0	0	0
Other	0	0	72,865
Taxes receivable	0	0	0
Due from component unit	1,809,390	0	0
Due from other funds	2,677,173	0	0
Due from agencies	0	0	0
Inventory (Note 1 G)	0	0	0
Total assets	\$19,780,007	\$0	\$72,865
LIABILITIES AND FUND BALANCES			
Liabilities :			
Accounts payable	\$60,411	\$0	\$0
Deposits payable	0	0	0
Payable for collateral held for securities lending	0	0	0
Due to other funds	4,617,663	0	18,080
Due to other agencies	0	0	0
Deferred revenue	0	0	54,785
Liability for compensated absences	0	0	0
Accrued liabilities	0	0	0
Retainage on contracts	0	0	0
Total liabilities	4,678,074	0	72,865
Fund Balances Reserved for			
Inventories	0	0	0
Other	15,101,933	0	0
Fund Balances Unreserved			
Reported In			
Special Revenue	0	0	0
Total fund balances	15,101,933	0	0
Total liabilities and fund balances	\$19,780,007	\$0	\$72,865

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION
BALANCE SHEET GOVERNMENTAL FUNDS
SPECIAL REVENUE
June 30, 2005**

NO. VIRGINIA TRANSPORTATION DISTRICT	TRANSPORTATION SET ASIDE	ROUTE 28
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ASSETS

Cash and cash equivalents			
with the Treasurer of Virginia (Note 12)	\$100,386,676	\$720,357	\$196,189
Cash and cash equivalents with trustees (Note 12)	18,159,433	0	38,206
Collateral held for sec. lending - investments (Note 12)	28,713,738	205,666	56,013
Advance fund	0	0	0
Receivables: (Net)			
Federal government	0	0	0
Cities, counties, and towns	0	0	0
State agencies	0	0	0
Other	0	0	0
Taxes receivable	0	0	0
Due from component unit	0	0	0
Due from other funds	0	0	0
Due from agencies	0	0	0
Inventory (Note 1 G)	0	0	0
Total assets	\$147,259,847	\$926,023	\$290,408

LIABILITIES AND FUND BALANCES

Liabilities :			
Accounts payable	\$334,319	\$0	\$0
Deposits payable	0	0	0
Payable for collateral held for securities lending	28,713,738	205,666	56,013
Due to other funds	0	0	0
Due to other agencies	0	0	0
Deferred revenue	0	0	0
Liability for compensated absences	0	0	0
Accrued liabilities	0	0	0
Retainage on contracts	2,703	0	0
Total liabilities	29,050,760	205,666	56,013
Fund Balances Reserved for			
Inventories	0	0	0
Other	0	0	0
Fund Balances Unreserved			
Reported In			
Special Revenue	118,209,087	720,357	234,395
Total fund balances	118,209,087	720,357	234,395
Total liabilities and fund balances	\$147,259,847	\$926,023	\$290,408

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION
BALANCE SHEET GOVERNMENTAL FUNDS
SPECIAL REVENUE
June 30, 2005**

	COLEMAN BRIDGE	RT 168 SOUTH	ELIZABETH RIVER TUNNELS
ASSETS			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 12)	\$1,978,521	\$16,608	\$144,374
Cash and cash equivalents with trustees (Note 12)	0	0	0
Collateral held for sec. lending - investments (Note 12)	408,387	4,742	41,219
Advance fund	10,000	0	0
Receivables: (Net)			
Federal government	0	0	0
Cities, counties, and towns	0	0	0
State agencies	0	0	0
Other	0	0	0
Taxes receivable	0	0	0
Due from component unit	0	0	0
Due from other funds	0	0	0
Due from agencies	0	0	0
Inventory (Note 1 G)	0	0	0
Total assets	\$2,396,908	\$21,350	\$185,593
LIABILITIES AND FUND BALANCES			
Liabilities :			
Accounts payable	\$45,739	\$0	\$0
Deposits payable	0	0	0
Payable for collateral held for securities lending	408,387	4,742	41,219
Due to other funds	40,321,000	0	0
Due to other agencies	0	0	0
Deferred revenue	0	0	0
Liability for compensated absences	0	0	0
Accrued liabilities	23,135	0	0
Retainage on contracts	0	0	0
Total liabilities	40,798,261	4,742	41,219
Fund Balances Reserved for			
Inventories	0	0	0
Other	0	0	0
Fund Balances Unreserved			
Reported In			
Special Revenue	(38,401,353)	16,608	144,374
Total fund balances	(38,401,353)	16,608	144,374
Total liabilities and fund balances	\$2,396,908	\$21,350	\$185,593

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION
BALANCE SHEET GOVERNMENTAL FUNDS
SPECIAL REVENUE
June 30, 2005**

OMER L. HIRST ADELARD BRAULT EXPRESSWAY	POWHITE PARKWAY EXTENSION	TOTAL NON MAJOR FUNDS
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ASSETS

Cash and cash equivalents with the Treasurer of Virginia (Note 12)	\$68,567,806	\$3,114,984	\$175,307,026
Cash and cash equivalents with trustees (Note 12)	0	0	33,299,572
Collateral held for sec. lending - investments (Note 12)	0	0	29,429,765
Advance fund	122,000	11,000	153,000
Receivables: (Net)			
Federal government	0	0	0
Cities, counties, and towns	0	0	0
State agencies	0	0	0
Other	76,247	0	149,112
Taxes receivable	0	0	0
Due from component unit	0	0	1,809,390
Due from other funds	0	0	2,677,173
Due from agencies	0	0	0
Inventory (Note 1 G)	0	0	0
Total assets	\$68,766,053	\$3,125,984	\$242,825,038

LIABILITIES AND FUND BALANCES

Liabilities :			
Accounts payable	\$788,721	\$81,208	\$1,310,398
Deposits payable	0	0	0
Payable for collateral held for securities lending	0	0	29,429,765
Due to other funds	2,000,000	46,320,333	93,277,076
Due to other agencies	0	0	0
Deferred revenue	71,744	0	126,529
Liability for compensated absences	0	497	497
Accrued liabilities	208,015	92,763	323,913
Retainage on contracts	209,084	0	211,787
Total liabilities	3,277,564	46,494,801	124,679,965
Fund Balances Reserved for			
Inventories	0	0	0
Other	0	0	15,101,933
Fund Balances Unreserved			
Reported In			
Special Revenue	65,488,489	(43,368,817)	103,043,140
Total fund balances	65,488,489	(43,368,817)	118,145,073
Total liabilities and fund balances	\$68,766,053	\$3,125,984	\$242,825,038

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2005**

	POCAHONTAS PARKWAY	RECYCLABLE MATERIALS	SURPLUS PROPERTY
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$0	\$0	\$0
Taxes	0	0	0
Rights and privileges	0	0	0
Sale of property and commodities	0	0	0
Interest, dividends and rents	0	0	0
Fines, forfeitures, court fees, penalties, and escheats	0	0	0
Federal grants and contracts	0	0	0
Receipts from cities, counties, and towns	0	0	0
Toll revenue	0	0	0
Other revenue	0	318,303	3,223,985
Total revenue	0	318,303	3,223,985
Expenditures			
Current:			
Administrative and support services	0	0	0
Ground transportation system planning and research	0	0	0
Highway system acquisition and construction	0	0	0
Highway system acquisition and construction-Bond Proceeds	0	0	0
Highway system maintenance	0	0	0
Ground transportation system safety	0	0	0
Financial assistance to localities	0	0	0
Environmental monitoring and compliance	0	0	0
Land management	0	0	0
Toll facilities operations and construction	60,411	0	0
Capital Outlay	0	0	0
Transfers to other state agencies (Note 9)	0	0	0
Total expenditures	60,411	0	0
Revenues over (under) expenditures	(60,411)	318,303	3,223,985
Other financing sources (uses)			
Other financing sources (uses)	204,432	0	0
Bond Proceeds	0	0	0
Transfers to other state agencies and General Fund (Note 9)	0	0	0
Transfers from other state agencies and General Fund (Note 9)	0	0	0
Transfers in (Note 9)	60,411	0	0
Transfers out (Note 9)	0	(318,303)	(3,223,985)
Total other financing sources (uses)	264,843	(318,303)	(3,223,985)
Net Change in Fund Balance	204,432	0	0
Beginning fund balance - July 1 as restated (Note 5)	14,897,501	0	0
Ending fund balance - June 30	\$15,101,933	\$0	\$0

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2005**

	NO. VIRGINIA TRANSPORTATION DISTRICT	TRANSPORTATION SET ASIDE	ROUTE 28
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$0	\$0	\$0
Taxes	0	0	0
Rights and privileges	5,472,846	0	0
Sale of property and commodities	0	0	0
Interest, dividends and rents	3,693,938	52,540	128,790
Fines, forfeitures, court fees, penalties, and escheats	0	0	0
Federal grants and contracts	0	0	0
Receipts from cities, counties, and towns	811,144	1,750,000	48,737,723
Toll revenue	0	0	0
Other revenue	0	0	0
Total revenue	9,977,928	1,802,540	48,866,513
Expenditures			
Current:			
Administrative and support services	0	0	0
Ground transportation system planning and research	0	0	0
Highway system acquisition and construction	0	0	0
Highway system acquisition and construction-Bond Proceeds	14,582,786	10,446	49,265,952
Highway system maintenance	0	0	0
Ground transportation system safety	0	0	0
Financial assistance to localities	0	0	0
Environmental monitoring and compliance	0	0	0
Land management	0	0	0
Toll facilities operations and construction	0	0	0
Capital Outlay	0	0	0
Transfers to other state agencies (Note 9)	0	0	0
Total expenditures	14,582,786	10,446	49,265,952
Revenues over (under) expenditures	(4,604,858)	1,792,094	(399,439)
Other financing sources (uses)			
Other financing sources (uses)	(111,684)	(1,878)	(4,495)
Bond Proceeds	93,900	0	0
Transfers to other state agencies and General Fund (Note 9)	0	0	0
Transfers from other state agencies and General Fund (Note 9)	20,545,401	1,133,742	0
Transfers in (Note 9)	15,000,000	0	0
Transfers out (Note 9)	(25,637,087)	(2,330,959)	0
Total other financing sources (uses)	9,890,530	(1,199,095)	(4,495)
Net Change in Fund Balance	5,285,672	592,999	(403,934)
Beginning fund balance - July 1 as restated (Note 5)	112,923,415	127,358	638,329
Ending fund balance - June 30	\$118,209,087	\$720,357	\$234,395

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2005**

	COLEMAN BRIDGE	ROUTE 168 SOUTH	ELIZABETH RIVER TUNNELS
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$0	\$0	\$0
Taxes	0	0	0
Rights and privileges	0	0	0
Sale of property and commodities	0	0	0
Interest, dividends and rents	62,858	552	5,992
Fines, forfeitures, court fees, penalties, and escheats	0	0	0
Federal grants and contracts	0	0	0
Receipts from cities, counties, and towns	0	0	0
Toll revenue	4,791,533	0	0
Other revenue	8,937	0	0
Total revenue	<u>4,863,328</u>	<u>552</u>	<u>5,992</u>
Expenditures			
Current:			
Administrative and support services	0	0	0
Ground transportation system planning and research	0	0	0
Highway system acquisition and construction	0	0	0
Highway system acquisition and construction-Bond Proceeds	0	102	0
Highway system maintenance	0	0	0
Ground transportation system safety	0	0	0
Financial assistance to localities	0	0	0
Environmental monitoring and compliance	0	0	0
Land management	0	0	0
Toll facilities operations and construction	1,676,066	0	1,263
Capital Outlay	0	0	0
Transfers to other state agencies (Note 9)	0	0	0
Total expenditures	<u>1,676,066</u>	<u>102</u>	<u>1,263</u>
Revenues over (under) expenditures	<u>3,187,262</u>	<u>450</u>	<u>4,729</u>
Other financing sources (uses)			
Other financing sources (uses)	(1,723)	(15)	(186)
Bond Proceeds	0	0	0
Transfers to other state agencies and General Fund (Note 9)	(7,748)	0	0
Transfers from other state agencies and General Fund (Note 9)	0	0	0
Transfers in (Note 9)	0	0	0
Transfers out (Note 9)	(3,433,071)	0	(3,468)
Total other financing sources (uses)	<u>(3,442,542)</u>	<u>(15)</u>	<u>(3,654)</u>
Net Change in Fund Balance	(255,280)	435	1,075
Beginning fund balance - July 1 as restated (Note 5)	(38,146,073)	16,173	143,299
Ending fund balance - June 30	<u>(\$38,401,353)</u>	<u>\$16,608</u>	<u>\$144,374</u>

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2005

OMER L HIRST ADELARD BRAULT EXPRESSWAY	POWHITE PARKWAY EXTENSION	TOTAL NON MAJOR FUNDS
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Revenues

Revenues provided by the General Fund of the Commonwealth	\$0	\$0	\$0
Taxes	0	0	0
Rights and privileges	0	0	5,472,846
Sale of property and commodities	0	0	0
Interest, dividends and rents	1,443,545	49,584	5,437,799
Fines, forfeitures, court fees, penalties, and escheats	0	0	0
Federal grants and contracts	0	0	0
Receipts from cities, counties, and towns	0	0	51,298,867
Toll revenue	43,726,952	10,119,768	58,638,253
Other revenue	36,177	68	3,587,470
Total revenue	45,206,674	10,169,420	124,435,235

Expenditures

Current:			
Administrative and support services	0	0	0
Ground transportation system planning and research	0	0	0
Highway system acquisition and construction	0	0	0
Highway system acquisition and construction-Bond Proceeds	0	0	63,859,286
Highway system maintenance	0	0	0
Ground transportation system safety	0	0	0
Financial assistance to localities	0	0	0
Environmental monitoring and compliance	0	0	0
Land management	0	0	0
Toll facilities operations and construction	24,877,853	3,916,011	30,531,604
Capital Outlay	27,381	0	27,381
Transfers to other state agencies (Note 9)	0	0	0
Total expenditures	24,905,234	3,916,011	94,418,271
Revenues over (under) expenditures	20,301,440	6,253,409	30,016,964

Other financing sources (uses)

Other financing sources (uses)	0	0	84,451
Bond Proceeds	0	0	93,900
Transfers to other state agencies and General Fund (Note 9)	(11,082,956)	(16,438)	(11,107,142)
Transfers from other state agencies and General Fund (Note 9)	0	0	21,679,143
Transfers in (Note 9)	1,314,503	0	16,374,914
Transfers out (Note 9)	(11,921,941)	(6,438,058)	(53,306,872)
Total other financing sources (uses)	(21,690,394)	(6,454,496)	(26,181,606)

Net Change in Fund Balance	(1,388,954)	(201,087)	3,835,358
Beginning fund balance - July 1 as restated (Note 5)	66,877,443	(43,167,730)	114,309,715
Ending fund balance - June 30	\$65,488,489	(\$43,368,817)	\$118,145,073

The accompanying notes are an integral part of this financial statement

<p>Fiduciary Fund Statement of Changes</p>

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Virginia Department of Transportation
Statement of Changes in Assets and Liabilities - Fiduciary Fund
June 30, 2005

Agency Fund	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
Assets				
Cash & investments held with the Treasurer of Virginia	\$447,972	\$471,522	(\$839,500)	\$79,994
Total Assets	<u>\$447,972</u>	<u>\$471,522</u>	<u>(\$839,500)</u>	<u>\$79,994</u>
Liabilities				
Deposits Payable	\$447,972	\$471,522	(\$839,500)	\$79,994
Total Liabilities	<u>\$447,972</u>	<u>\$471,522</u>	<u>(\$839,500)</u>	<u>\$79,994</u>

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<p>Schedule of Federal Assistance</p>
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VIRGINIA DEPARTMENT OF TRANSPORTATION
SCHEDULE OF FEDERAL ASSISTANCE
FISCAL YEAR 2005

Federal/State Grantor Agency	CFDA Number	Federal Program Name	FEDERAL CASH BALANCE July 1, 2004	FEDERAL CASH BASIS RECEIPTS	FEDERAL CASH BASIS DISBURSEMENTS	FEDERAL CASH BALANCE June 30, 2005
United States Dept of Transportation	20.205	Highway Planning and Construction	\$269,220	\$466,200,440	\$466,420,886	\$48,774
		TOTAL FEDERAL REVENUE:	\$269,220	\$466,200,440	\$466,420,886	\$48,774
United States Dept of Transportation/DMV	20.600	State and Community Highway Safety		88,475	88,475	
United States Dept of Transportation	20.602	Occupant Protection		44,995	44,995	
United States Dept of Transportation/DMV	20.604	Safety Incentive Grant for Use of Seatbelts		225,475	225,475	
United States Dept of Transportation/DMV	20.605	Safety Incentive to Prevent Operation of Motor		433,576	433,576	
United States Dept of Energy	81.041	Public Assistance Grant		6,915	6,915	
Department of Homeland Security	97.004	State Domestic Preparedness Equipment Support		687,472	556,853	130,619
Federal Emergency Management Agency/DES	97.036	Public Assistance Grant	379,196	16,981,034	17,103,542	256,688
		TOTAL TRANSFERS FROM OTHER STATE AGENCIES:	379,196	18,467,942	18,459,831	387,307
Received from State	20.000	Other Assistance		2,630,232	2,630,232	
			0	2,630,232	2,630,232	0
		GRAND TOTAL OF FEDERAL ASSISTANCE	\$648,416	\$487,298,614	\$487,510,949	\$436,081

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FINANCIAL REPORT

The Virginia Department of Transportation

(VDOT) is responsible for building, maintaining and operating the state's roads, bridges and tunnels. And, through the Commonwealth Transportation Board, it also provides funding for airports, seaports, rail and public transportation.

Virginia has the third largest state-maintained highway system in the country, just behind North Carolina and Texas.

Virginia's Highway System

The 57,083-mile system is divided into the following categories:

- **Interstate** 1,118 miles of four-to-ten lane highways that connect states and major cities.
- **Primary** 8,050 miles of two-to-six lane roads that connect cities and towns with each other and with interstates.
- **Secondary** 47,582 miles of local connector or county roads.
- **Frontage** 333 miles of frontage roads.

A separate system includes 10,362 miles of urban streets, maintained by cities and towns with the help of state funds. Virginia's cities are independent of its counties. Henrico County (1,251 miles) and Arlington County (359 miles) maintain their own roads with state financial assistance.

Other Transportation Services

The transportation system comprises more than roads. VDOT also is responsible for:

- More than 12,603 bridges.
- Four underwater crossings in the Hampton Roads area.
- Two mountain tunnels on Interstate 77 in Southwest Virginia.
- Four toll roads or bridges.
- Four ferry services.
- Rest areas along major highways.
- Commuter parking lots.

VDOT Organization

VDOT has about 9,300 employees, making it one of the three largest state agencies in Virginia.

For highway purposes, Virginia is divided into nine districts: Bristol, Culpeper, Fredericksburg, Hampton Roads, Lynchburg, Northern Virginia, Richmond, Salem and Staunton. The Districts are divided into 42 residencies and two district satellite offices responsible for one to four counties each. Each of Virginia's counties has at least one area maintenance headquarters strategically located in it. The VDOT central office in Richmond is headquarters for approximately 30 operational and administrative units.

The 17-member Commonwealth Transportation Board guides the Department's work, much like a board of directors. The Secretary of Transportation serves as chairman and the Commonwealth Transportation Commissioner as vice-chairman. Members are appointed by the Governor and approved by the General Assembly. The Director of the Department of Rail and Public Transportation serves as a non-voting member of the board.

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